

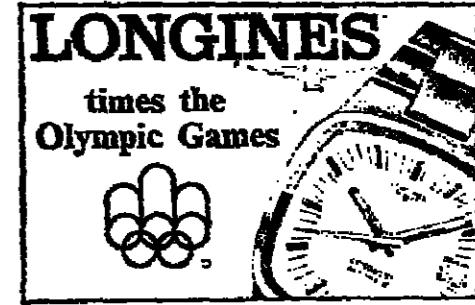
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# FINANCIAL TIMES

Saturday May 29 1976

\*10p



## NEWS SUMMARY

GENERAL

Rees in  
Dublin  
border  
alks

Irish Garda and the Royal Constabulary are to review co-operation procedures as a result of several hours of fighting in Dublin yesterday between Mr. Mervyn Rees, Mr. Terence Fitzgerald, Irish Foreign Affairs Minister, and Mr. Patrick May, Justice Minister.

The British team repeatedly tried the Irish that border patrols such as that which led to the arrest earlier this month eight Special Air Service divers by Irish police, will not

be British "hot line" or special telephone network has not been ruled out and the Ministers also discussed implementation of the Fugitive Offenders Jurisdiction Acts which allow terrorists tried in Ireland or England to be tried in Ulster.

Belfast, militant Protestants yesterday that vigilante patrols, some armed, would be the streets from Sunday night, bomb exploded during a ten-song concert in a packed bar in Belfast last night. At least 10 people were hurt seriously — when the bomb went through the bar which is to Queen's University.

e 9

### Concord for Australia

cord is to be allowed into Australia and British Airways will flights to Melbourne early next year. But there is still doubt whether India will permit super-coupons on the route which would cut the present journey time from London by at least 10 hours. Page 13

### Soviet ship here

demonstrators for Soviet Jewry, the Young Liberators, arrived on a courtesy visit at Portsmouth yesterday. Vice-Admiral Leonov said that Soviet naval expansion was aggressive. Picture, e 7

### New death threat

ist kidnappers of the teenage daughter of Belgium's ambassador to Mexico, Nadine Chaval, a second death warning yesterday after their first demand for \$500,000 ransom had been met.

### Women hurt

en of 60 firemen tackling a chemical works fire in London last night were overcome by toxic fumes and smoke and explosions. About 200 living or working nearby were evacuated.

### Siamese twins

was hope, last night for survival of the Siamese twin born early in the day of a boy, Sussex, hospital. No effort will be made to separate for at least two weeks, its last Siamese twin born January, died shortly after

### Back in lead

Oosterhuis (68) and Tony in (67) made gratifying progress to British tournament yesterday to head the leader board after the first day of the old PGA at Royal St. George's.

### People and places

Prime Minister Harold Wilson, in hospital with blood clot, was reported "comfortable" last night, but he will not make any engagements for the future.

of flood victims in theippines rose to 150 dead and lands stranded.

Darlington, 46, daughter of Mrs. Barbara Cartland, was treated yesterday by the ninth

healthy Libyan bought an English rose exhibit at the Flower Show for £500. Page 11

### IEF PRICE CHANGES YESTERDAY

es in pence unless otherwise indicated)

**RISES**

taulds ..... 185 + 4  
W. W. ..... 24 + 17  
ter Sidekels ..... 440 + 6  
er (H.) ..... 112 + 6  
er Lamp ..... 226 + 26  
er Oil ..... 115 + 14  
er (U.K.) ..... 140 + 12  
ina ..... 235 + 12  
nternational ..... 101 + 1  
Exploration ..... 134 + 1

**FALLS**

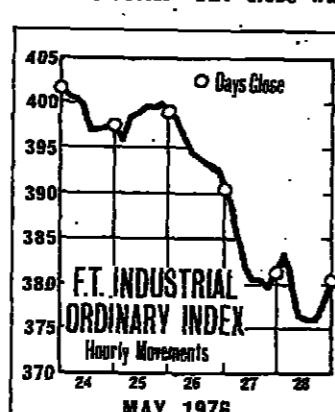
nders Discount ..... 145 - 7  
D. Dairies ..... 200 - 10  
in Fall ..... 58 - 8  
er Lamp ..... 345 - 8  
er Sugar ..... 330 - 13  
er Vita ..... 94 - 5

110 - 7

### BUSINESS

### Shares at 1976 low, Wall St. up 10

EQUITIES ended above the day's worst on bear closing, with the FT 30-share index 0.8 lower at 380.4. The close was



its lowest for the year, showing a 40.4 fall over the last 18 trading days since its 1976 peak of 428.

GILTS moved erratically, and ended with gains of between 4 and 1 in shorts and no change in medium and longs. The Government Securities index put on 0.63 to 61.32.

STERLING again fell sharply, closing at its worst level against the dollar, at \$1.7585, for a loss of 14 cents. Its average depreciation widened to 39.6 per cent. (39.2) while the dollar narrowed to 1.14 per cent. (1.33).

GOLD lost \$1 to \$125.

WALL STREET closed 9.66 up at 975.23.

FINANCIAL HOUSES ASSOCIATION is to raise its base rate by 1 per cent. to 10 per cent. from June 1. In the U.S., several of the big banks have lifted prime rates from 6% per cent. to 7 per cent.

NEW YORK Stock Exchange study has determined the feasibility of options trading on the big board. Page 11

OIL COMPANIES have given a qualified welcome to the Government's draft terms for the fifth round of production licences expected at the end of the year. Ashland Oil has bought a substantial stake in the North Sea Brune Field from Bow Valley Back Page and Page 9

UNCTAD IV may end shortly without agreement over a Third World countries' raw materials common fund. Back Page 9

DEVELOPING countries might default on debts because of world economic problems, but it was vital that this should not provoke a chain reaction, Sir Jeremy Morse warned an international bankers meeting. Page 7

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levels widened again to a record 39.6 per cent., compared with the previous night's 39.2 per cent.

In spite of the continued pressure there was little indication of immediate official action to counter the drop in sterling yesterday. The market felt that any intervention by the Bank of England had been only on a very small scale.

Moreover, contrary to expectations in the money markets on Thursday, the Bank's minimum

wanting such cuts are still reluctantly bringing them to a Cabinet battle.

Nevertheless, the fall in sterling is being taken seriously. If it were to go more than a few cents further the Government would be urged strongly to take immediate action.

The effect of the curbs will not become apparent immediately, but they will be felt by agencies in charge of capital spending projects. They could have a significant impact on further calls on the public purse such as the request from Rolls-Royce (1971) for aero-engine launching aid and capital restructuring, further investment in British Leyland and any major new aid to shipbuilding once it is nationalised.

The Government's immediate worry is the way in which public spending increases in the last few months have committed almost all the £700m contingency reserve on which Mr. Healey has laid such stress. The object of the latest curbs, largely approved at a recent Cabinet meeting, is to ensure that the reserve is not heavily overdrawn in the months ahead.

Or the £700m contingency reserve for 1976-7, continuing to account of additional cuts already approved in the public expenditure White Paper—about £25m. has been absorbed by excess spending of English and Welsh local authorities.

This excess spending is at constant prices and is 6 per cent. more than was assumed in the Expenditure White Paper.

Some Ministers believe that expenditure is too high without the indirect tax increases. But apart from the Chancellor's reluctance to relieve the pressure on sterling in view of the political need to curb demand before the unification and the need to reassure employment figures have gone down, indirect tax increases are

Continued on Back Page

### Pound falls to new low in thin exchange markets

BY MICHAEL BLANDEN

THE POUND dropped to new lows again yesterday in exceptionally thin exchange markets, while the pressures were increased by a renewed upturn in interest rates in New York.

The official view appeared to be that the market conditions yesterday were totally unrealistic and that, while the fall in sterling was worrying, it was not a day for taking important new initiatives.

The fall in sterling reflected both a number of significant selling orders, reported to be from commercial sources, and a general strengthening of the dollar. At one stage the pound was quoted as low as \$1.7500-25.

This arose because much of the Continent was still relatively inactive after Thursday's Ascension Day holiday. London and New York are shut on Monday; and the U.S. market was effectively closed for practical purposes yesterday afternoon as dealers took off for their meeting in Washington.

The increased prime rates and helpful economic news brought improvement in the dollar against major currencies apart from the Swiss franc. The dollar's effective depreciation narrowed from 1.33 per cent. to 1.14 per cent.

Jay Palmer writes from New York: The rise in U.S. prime rates was led in the morning by Citibank, which lifted its rate to 7 per cent. from 6.6 per cent. The move came amid widespread money market speculation that Thursday's drop in the latest number of other large U.S. banks, including Bank of America, Chase Manhattan, Manufacturers Hanover, Chemical Bank and Bankers Trust.

For six or seven weeks the

Weighted Average Change against Sterling and other currencies

Source: BIRMINGHAM BANK

STERLING

&lt;p

# The week in London and Sentiment sinks further

## ONLOOKER

Another bad week for investors back up to their levels of last autumn. An increase in borrowing and equities sinking to new lows, and although markets were steadier after hours yesterday the outlook for the new account remains totally uncertain. The 30-Share Index has now tumbled 18.6 points in three days for a decline over the account of 24.2 points to 350.4. It is now almost a tenth below the peak of 420.8 reached on May 5. Falls among gilt this week extend up to £2 at the short end while yields among the longs can now be found in the 144 per cent. range.

MLR's failure to rise yesterday was almost as unexpected at its one point increase a week earlier. For the performance of sterling following Monday's modest attempts at a rally seemingly left the Bank of England with little option but

## TOP PERFORMING SECTORS IN FOUR WEEKS FROM APRIL 29

	% Change
Food Retailing	+ 0.2
Oils	- 0.1
Tobaccos	- 0.3
Breweries	- 1.3
Shipping	- 1.4
Toys & Games	- 1.7
All-share Index	- 5.3

## Poll winner

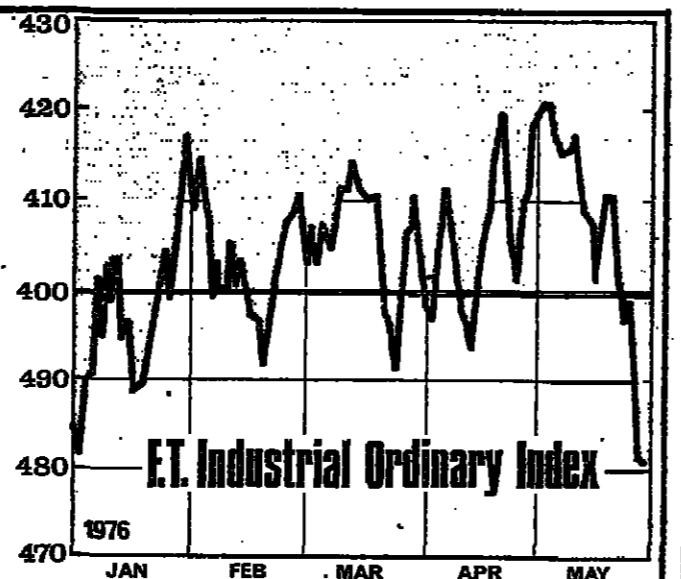
An eventful week in the public life of the newly knighted Sir James Goldsmith culminated on Thursday, when the Cavenham EGM approved by a very large majority (in a low poll) the proposals for buying the

outstanding shares in Générale Alimentaire. The deal, which will give Cavenham access to GA's liquid assets, involves a share issue to Générale Occidentale—Sir James' master company—as a result of which its holding in Cavenham will rise from 39 to 51 per cent.

The Goldsmith interests already had effective control of Cavenham, and supporters of the latest deal claim that the fact it will make Cavenham a subsidiary of the French company is actually a coincidence. But it has not made Cavenham any new friends among the institutions, who have never been very enthusiastic about a group which still has an extremely complicated corporate structure, and which is so closely identified with the fortunes of an individual entrepreneur. Gold shares have jumped a net tenth over the past three days.

## Debt squeeze

Led by NatWest, the clearing banks duly lifted their base rates on Monday. MLR may have stayed put yesterday but it is still more than a quarter higher than it was at the end of April which has put money costs



needed about the financial structure and strategy of Générale Occidentale—which would presumably come with the mooted London listing. Much more information is also required about the financial performance of Cavenham's individual operations—and the accounts for the year ended last month would be an obvious place to start. Finally the underlying results can only be sensibly assessed if the group is given a quiet period in which to consolidate. Only if all this happens will the institutions be more than the market rate—are among the hardest to be beaten by any tightening of their debt squeeze. UDT has declined by a full 22 per cent. in six trading days while the shares of Llyod's and Scottish are 15 per cent. lower.

## Frothy Bass

While results like these and the relatively high yields offered may result in a recovery in brewery ratings, enthusiasm is likely to be restrained. After all, any profit increases for the summer half year will probably be small since comparison is with an exceptionally buoyant period last year. Moreover, there are few signs yet of any pick-up in sales of wines and spirits though Bass, for instance, is hoping that it will not have to make any further write-offs on its wine stocks.

## Worst offender

Courtaulds was no help to the market on Thursday with profits for 1975-76 down by £22.2m. to £46.3m. before tax and exceptional items. Earnings were expected to emerge sharply lower but even so the shares closed 7 per cent. lower on the week at 138p; at these levels they might just begin to tempt the brave. Courtaulds' overseas operations have an accounting year which closes three months ahead of the group date of March so these results have not taken in any of 1976's recovery in the U.S. At the same time the trading picture is brightening generally—U.K. man-made fibre output rose sharply in the first quarter of 1976—and Courtaulds stands to gain usefully from 1975's reorganisation measures which cost close on £10m. The shares yield 7 per cent. and the balance sheet still contains net cash in the region of £70m.

Bass, which increased its half-year profits by just under a fifth to £28.2m., is likely to be ahead of other majors, partly because of its big share (about 29 per cent.) of the rapidly growing lager market and its relatively lesser dependence on wines and spirits than, say, Allied. The two regional brewers, Greenall Whitley and Wolverhampton and Dudley, both managed

# New York

## Late rally lifts market from three-month low

BY JAY PALMER

NEW YORK, May 28.

OPENING the week on an upbeat note, Wall Street moved steadily lower over the first few days of the week to stand, as of Thursday night's close, at a new three-month low. Monday's drop of 19.22 points represented nearly a full 2 per cent. decline in the DJII (the other more widely based indices also moved sharply lower) and was a new record daily drop for this year.

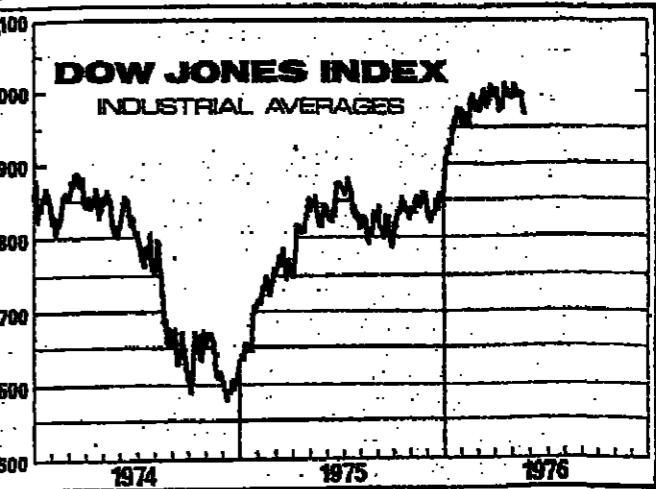
The immediate weakness can once again be attributed largely to continuing strong fears over rising interest rates and inflation. At the same time, though,

there are such other lesser negative factors as worries that consumer confidence is waning, capital spending is slowing and, perhaps more critical, that the institutions are even now nearly fully invested.

To-day's rally carried much of the past month and a half and, over the same period, most short-term money market rates have moved higher in line.

In the bond markets, the higher rates are already encouraging some would-be borrowers to defer their plans. With the fears of over-supply, a major factor in the sharp fall in bond prices seen in recent weeks, already abating, current forecasts seem confident that longer-term corporate yields are now close to their peaks.

But of all these factors, the absolutely dominant cause for concern is the continuing tightening of monetary policy by the Federal Reserve Board—the latest symptom of which is this morning's widespread jump in bank prime lending rates to 7 per cent. The Fed has allowed the key Federal Funds Indicator to rise more than 80 points over



bouts of inflation can still not be discounted, there is a strong hope that the policy of steadily squeezing credit may now be over.

Even if it is still far too early to start talking about any move to actually ease credit, Wall Street's view is that now the spectacular gains in corporate profits could be strong enough to spark off a rally. At the very least, the economic fundamentals remain bullish with real Gross National Product up 8.5 per cent. in the first quarter. With concern over inflation and credit policy lessening, the upward breakout could indeed be imminent.

	Close	Change
Monday	971.53	-19.32
Tuesday	971.70	+0.16
Wednesday	968.63	-3.06
Thursday	965.57	-3.06
Friday	973.23	+7.66

Indeed there is a growing conviction that it is no longer necessary to talk about the mar-

ket's potential and the danger of fresh

... which being broadly trans-lated means "here come the Afrikaners" as they have this week's news that the Union Corporation gold-platinum group has become effectively a subsidiary of the Afrikaners Federale Mynbou mining and industrial group. It is another step in the build-up, anticipated in this column, of Federale and its General Mining subsidiary into a vigorous giant in the South African mining scene.

At current cum-premium share prices Federale has a market capitalisation of only £82m. General Mining's figure (on the increased capital) amounts to £143.5m. and that of Union Corporation comes out at £180m. For comparative purposes the giant Anglo American Corporation is capitalised at £390m. Meanwhile, General Mining has said, not surprisingly, that it has no present intention of significantly increasing its holding in Union Corporation.

Apart from the gold interests, Union Corporation's attractions to the Afrikaners include the South African industrial interests, technical mining expertise, exploration prospects and possibly most of all, Impala Platinum. Now in a recovery phase, Impala has declared this week a third quarterly interim dividend rate on the increased capital.

It is also stated that on the basis of end-1975 values, the deal will raise General Mining's net assets to the equivalent of R42.83 (currently £27.34) per share. General Mining's liquidity has been improved by sales of investments among which the

two regional brewers, Greenall Whitley and Wolverhampton and Dudley, both managed

to push up interest rates for the second week running. As it is the pound closed 24 cents lower against the dollar on the week leaving the gilt market on very uncertain ground. Money costs in the U.S. continue to edge higher.

In equities, the worst offenders among the 30-Share Index constituents up to Thursday were Courtaulds (see later story) and Dunlop, while United Drapery Stores and Vickers were showing marked resilience. Gold shares have jumped a net tenth over the past three days.

**Debt squeeze**

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up to their levels of last autumn. An increase in borrowing and equities sinking to new lows, and although markets were steady after hours yesterday the outlook for the new account remains totally uncertain. The 30-Share Index has now tumbled 18.6 points in three days for a decline over the account of 24.2 points to 350.4. It is now almost a tenth below the peak of 420.8 reached on May 5. Falls among gilt this week extend up to £2 at the short end while yields among the longs can now be found in the 144 per cent. range.

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# Your savings and investments

## Aiming to catch up

BY CHRISTOPHER HILL

PERHAPS THE Trustee Savings Bank may not emerge as the "third force" in banking quite as the Page Report visualised three years ago, for at the moment it is still aiming to catch up with the clearing banks in the current account field and later this year in personal loans. But Mr. Tom Bryans, the chief general manager of the Trusted Savings Central Board, said this week that the TSB had now reached the point where its central structure is complete and is now eager to get into the lending field. The structure side consists of the Central bank, CTSB Ltd., the unit trust/life assurance division (soon to be renamed the TSB Trust Company) and the

18 TSB regional groups. But, with 11m. customers, 1,650 branch offices and invested funds of over £6bn., the ground work so far has concentrated on getting the most mileage out of its existing resources. I must confess that I find services to the saver or investor more interesting than the drive to duplicate what the clearing banks have to offer.

In the former area, the TSB has already achieved considerable success. The three TSB unit trusts are now up to £50m. collectively and linked life assurance policies are being issued at the rate of £600 a week. In this respect the TSB came up with the original idea of getting its 100 or so sales representatives

to work closely in combination with the bank managers in the regions. According to Mr. Bryans, the TSB is also interested in getting out a greater variety of savings plans linked to flat rates of interest over various periods—

which is an area the clearing banks have been slow to promote, preferring to rely on current and ordinary deposit accounts.

Comparisons are difficult to make between Britain and Europe in the savings field in this respect, but it may be significant in TSB terms that the German banks have become increasingly interested in the saver as well as the depositor over the years. The Deutsche Bank, for example

now estimates the proportion of sophisticated contractual



Tom Bryans, TSB

savings on total deposits at 45 per cent compared with only 28 per cent 15 years ago—and has a lengthy list of

contractual

savings products. One which the TSB might take a look at is the Erfolgsystem 100 (Successplan) where the saver contracts for various periods to put so much away per month and, according to how much he saves, variable proportions are put on deposit into bond funds or into mutual funds. After all, not everyone wants life assurance.

But one of the problems in the British savings market is that there are too many savings institutions and Mr. Bryans had some wry words to say about all the engulging maw of the building societies where straight savings are concerned. What the TSB wants to become is a "social" bank rather than a clearing bank, concentrating exclusively on the individual and providing a more personal service than the clearing banks would normally provide.

However, the one big block against this is the relative weakness of the TSB branch

network "south of the Chilterns" where only 300 branches exist. Constrained by relative under-capitalisation, it is difficult to see what the TSB can do about this situation with any speed (it first needs to build up its reserves), but apparently it is making progress in the South with getting rid of the "cloth-cap" image.

The latter is already less apparent further North, especially in Scotland where the TSB has a grip on a broad cross-section of the population. Part of the progress is in keeping pace with new technology, with the TSB well in the vanguard of the trend towards "self-service" banking. But it is also significant that the TSB has a ready potential for upgrading its existing depositors in that 8m. of the present total just have ordinary accounts—and could be weaned onto special investment accounts or other savings products.

## Indexing problem

I SUPPOSE that more has been written on the index-linked National Savings contracts than on all other National Savings products put together. Yet because an entirely new concept in savings was introduced, some investors still do not fully understand how index-linking operates.

Now, we are approaching the period when the holders of the retirement bonds can receive the benefit of index-linking on cash-in and last week I discussed the reason why bondholders should stick with their contracts. This article produced a letter from a reader who still does not fully understand the index-linking operation.

The first misconception of the reader is that the bonds acquire yearly accrued interest. The bonds receive no interest at all in the accepted sense of the word. The investor's capital outlay is revalued monthly in line with the Retail Price Index and since last June this capital has

increased in monetary value by 18 per cent.

The second misconception is that this increase remains idle. It will itself appreciate in line with the future movement of the RPI. Although this can be demonstrated mathematically, it is possibly more easily understood by means of an example.

Let us assume that over the next 12 months inflation will be exactly 10 per cent. This will mean that the RPI, which

stood at 153.5 in May will have

risen to 168.9 by May 1977. Then

the value in June 1977 of the

retirement bond on an original

investment of £100 would be

$100 \times 1.10 = £100.8$  (129.1 was

the value of the RPI at the start).

This is exactly 10 per cent

higher than the June 1976 value

of £118.8, the capital increase

is revalued monthly in line

with the Retail Price Index and

since last June this capital has

been increased by 10 per cent

over the next 12 months. E.S.

## Too good to last

A CHORD from the past this week was the news from M and G that the ten-year M and G Family Bonds have reached maturity since they were launched in 1966, showing a rise from 67½ to 150p over most dramatic success story in the period completely tax-free. The recent history of the savings industry—unfortunately the Cost of Living Index), and too good to last.

C.R.

AE, on a prospective p/e of low yield of 3.8 per cent.

## Motor components

BY ROY LEVINE

7.3 at 84½p yielding 7.4 per cent, should continue to benefit from these two growth sectors.

Another prospect is Armstrong Equipment whose prospective p/e of 7.2 (on profits of perhaps £4.3m. for this year), is over a point below the industrial group. Profits have risen

at a compound rate of a quarter

since 1969-70 and the company

has emerged unscathed from the

recession largely because of its

diversification away from the

original equipment market into

the more lucrative replacement

market. The number of U.K.

wholesale branches will be

around 150 at its June 30 year-

end (built up over two years)

and next year their combined

sales are budgeted to rise to

£35m. (£1m.).

A major profit contribution is

also expected next year from

its company in Spain which is

one of two manufacturers of

shock absorbers — Armstrong's

major strength — for the new

Fiesta model from Ford, which

is scheduled for production in

three European countries. Three

months ago Armstrong increased

its stake in the Spanish com-

pany from 43 to 56 per cent.

Lucas has not been able to

cope with the explosion in diesel

demand over the past 18 months

and the bulk of its recent £2m.

rights issue will be used to

double diesel component capaci-

ty.

Not surprisingly, some U.S.

companies, including Eaton,

Rockwell and ITT, have built

up strong subsidiaries in Europe

over the past few years and in

some cases their profits on this

side of the Atlantic have grown faster than in the U.S. Newcomers include Dana Corporation, the biggest manufacturer of proprietary motor parts.

Its two U.K. investments are a 64 per cent. stake in the wholesale motor parts distributor Brown Brothers, and a 35 per cent. share of Turner Manufacturing, which makes transmissions and clutches. Brown Brothers has a patchy profits record but with new management and help from Dana expects to double profits over the next four years. Its chain of 67 outlets is to be expanded.

Profits may only emerge out of the plateau in 1977 as the shares, ranked just below the whole industrial group on 3 p/e of 8.8 and yield of 6.6 per cent, may not produce much short-term gain at 14p.

Turner's fortunes are more closely linked with the commercial vehicle sector where the overall production figures are still depressed. After a big jump in 1973 profits, there could be some consolidation this year.

Beyond that, the company hopes to more than double sales and profits by 1980 and has tendered for major contracts from British Leyland and some Continental vehicle manufacturers.

If Turner does get the £1 contract to supply transmissions, the shares could improve strongly from 68p. But if there is no news in the next six months, investors may have to wait longer to see capital gains.

The yield, meanwhile, is 7.9 per cent.

\* Figure from Griereson Grant.

## Interest Rates

BY ERIC SHORT

INTEREST RATES have moved strongly upwards again having further strengthening of short-dated rates for some term interest rates in the near future. So investors should continue to follow the gyrations of the market remaining liquid at least until the year is over.

The feature of the present interest rate pattern is that long-term rates have not reacted as strongly to the upward pressure of as have shorter dated stocks so the yield curve has flattened quite markedly. The expectations of a further lowering of the rate of inflation are still influencing this end of the market.

Again this is a further reason for investors to keep a strong liquid holding in their portfolio and an even stronger reason to put his cash in a building society.

Investment	Tax Rate
National Savings Certs.	Nil 35% 50%
cashed-in after 1 year	6.0 6.0 6.0
cashed-in after 4 years	7.6 7.6 7.6
Jubilee Bonds cashed-in after 5 years	9.1 6.2 5.8
Building Society deposits	6.25 6.25 4.7
shares	6.5 6.5 5.8
Clearing banks deposits	6.5-7.0 4.2-4.5 3.25-3.5
1-year term	12.0 7.3 6.0
Local Authority loans 2-3 years	12.7 8.2 6.3
Treasury 11½% 1979	11.6 7.5 5.8
Treasury 2½%	14.4 9.4 7.2

## Second thoughts on tax

PRESSURE FROM the life assurance industry has resulted in the Government having second thoughts regarding tax relief limits for life assurance premiums. It has put forward an amendment this week that restores the limit of one-sixth of income which it had previously proposed to drop, so now the limit is to be the higher of £1,500 or one-sixth of income. I suppose the Government feels obliged to impose some limit.

E.S.

# How Save & Prosper unit trusts can help you achieve your investment objectives.

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If we can accept your shares as part of one of our portfolios we will give you the market offer price for them, usually 2½,

# Finance and the family

## Exchange control

BY OUR LEGAL STAFF

Referring to your reply of April 10 under the heading, Earnings abroad and the premium in which you stated that securities must be lodged with an authorised depositary in the U.K., but that the two-year period dated from the actual return to the U.K., does this mean that such securities could not be sold and others bought in an overseas market meantime? Would the address on the share certificate have any bearing on whether the shares were premium worthy or not? Would other overseas assets, such as a house, be subject to the same rules and would the deeds have to be lodged with an authorised depositary? How could one obtain the premium?

The exchange control rules have recently been changed. The basic effect of these is to stop the concession to returning expatriates to which we have referred in previous replies, even if the period abroad was more than three years. The premium is now available in these circumstances only if the individual returned to the U.K. before April 22, 1974—in which case, of course, his two years would already be up.

Under the old rules, to answer your questions, it was not possible to switch during the two-year period; the premium would arise only if the same securities were held. The years:

The safest course—since there may be aspects of your case as far as it purported to apply which are not clear from your property. The deeds do not letter—is to ask the Inland Revenue.

have to be lodged with an authorised depositary, but a Bank of England permission. We do not think you would get the premium on such a sale—in general, it is available only if it was paid on the purchase.

### Ninety-day limit

I was born in S. Africa, but practised medicine for many years in England. In June 1970 I was granted S. African domicile by the Inland Revenue and on November 15, 1974 I went through the emigration procedure to S. Africa. Could I return to England for 90 days in any one year without being deemed resident or would I have to wait for three years from November 15, 1974?

From what you say, we take it that for U.K. tax purposes you were regarded as resident and ordinarily in the U.K. (but not domiciled here) for a number of years up to November 15, 1974, and that it has been agreed that you should be regarded as neither resident nor ordinarily resident here for the period since that date. If so, and in particular if you did not visit the U.K. during 1975-76, you can probably calculate your 90-day limit from 1975-76 without regard to 1974-75 and earlier years:

The safest course—since there may be aspects of your case as far as it purported to apply which are not clear from your property. The deeds do not letter—is to ask the Inland Revenue.

Revenue. It is not their wish that visitors from overseas should be caught unawares and they will be prepared to give the provisions of the Water Charges Act 1976.

### A claim in detinue

Having had a large bill from my accountants, I paid, but asked what the likely charge would be for the following year and was told, in writing, about £50.

I have now had a bill for £250, though the work was somewhat less. I have not paid the account. I demanded my files back, and have been refused. What should you advise?

You should make an open offer in writing to pay to the accountants say £50 plus VAT (that is, a figure on the high side of the £50 quoted by them as an approximate figure); then issue proceedings in your local County Court claiming the return of the files (that is, in detinue). In this instance you should not make the alternative claim for the value of the chattel which is normally found in a claim in detinue, as there is no substitute for the files themselves.

### Emptying of cesspits

What is the legal position with regard to the emptying of cesspits by local authorities following the recent decision (Daymond v. Plymouth County Council) regarding the non-liability for water rates of those who are not connected to sewers? Should the charge be levied in accordance with the Water Authorities (Collection of Charges) Order 1975? Is this

applicable in 1976?

Daymond v. Plymouth C.C. is reported in [1976] 1 A11 E R 39 in the House of Lords, where Phillips, J. was affirmed. The power to charge for the emptying of cesspits is now to be regulated by a recent statute, not by the Order to which you refer (which does operate in 1976 and subsequently). That Order was held to be ultra vires and subsequently included the sterling area?

Would these be sold legally with the benefit of the premium?

The result of the change of status of Australian stocks in June 1972 was that U.K. holders quite legitimately got the benefit of the premium without having to pay assessment to be performed outside the U.K. There shall be treated for the purposes of this section as so performed any duties performed in the U.K. the performance of which is merely incidental to the performance of the other duties outside the U.K.

### Airline pilot and tax

In your reply of April 10 under the heading Airline Pilot and Tax, you state that the pilot should avoid being in England during any periods when his furnished house was empty. Does this matter, provided the pilot is regarded as being in full time employment abroad? What is the position of a person who retires from full-time employment but continues to live abroad and also returns to the U.K. on occasional visits for the reletting of his property?

It is dangerous to paraphrase tax laws, particularly those which are the subject of misconceptions, and so we are setting out the full text of Section 50 of the Income and Corporation Taxes Act 1970 below:

(1) Where a person works full-time in one or more of the following, that is to say, a trade, profession, vocation, office or employment, and the condition mentioned in subsection (2) below is satisfied, the question whether he is resident in the U.K. shall be decided without regard to any place of abode maintained in the U.K. for his use.

(2) The said condition is that no part of the trade, profession or vocation is carried on in the U.K. and all the duties of the office or employment are per-

formed outside the U.K. (3) Where an office or employment is in substance one of the premises of which the duties fall in the course of the premium without having to pay assessment to be performed outside the U.K. Just as one swallow does not make a summer, the decision of the Court of Appeal in Young v. Sun Alliance and London and the judgments of three Lords Justices take us some way forward, but leave much scope for argument.

First the facts—Mr. Young had a home insurance policy which covered loss destruction or damage to his house after it was caused by storm tempest or flood or escape of water from drainage installations. His house had been constructed in 1955, and in two years, 1972 and 1973, had sustained damage by water in a lavatory beneath the level of the ground floor. This damage was traced to a defect in the water system and insurers paid in respect of it, and to charge premium appropriate to the risk.

Hitherto insurers have not sought expressly to define the word "flood" in any domestic policy, but there is general agreement among insurers as to what they mean by "flood" when used in commercial policies or endorsements. And had you asked any insurer, prior to the Court of Appeal's decision, what the word meant, you would probably have been told that it was, by the definition used in some commercial covers:

"Destruction or damage by (1) the escape of water from the natural confines of any natural or artificial water course (other than from water tanks, apparatus or pipes) or lake reservoir, canal or drain and (2) inundation from the sea."

Note the words "escape" and "inundation." Suppose there has been very heavy rainfall and buildings are damaged by the accumulated rainwater as it tries to find its way to drain or river: this damage is not by such definition flood damage, though it will almost certainly be accepted by insurers as storm damage. So even if a particular commercial policy does not cover flood, the policyholder may well have some degree of protection against what a layman might call flood.

There are of course a number of places by virtue of their low lying geographical location very susceptible to flooding, and many other places where the risk is greater than average. So insurers take precise geographical location into account (as well as the susceptibility to damage of the property to be insured) when deciding whether or not to provide cover and what price to charge. Inevitably there is a degree of selection against insurers—for those policyholders living away from rivers measuring 6 feet by 4 feet could not be regarded as a flood.

The third judge, Lord Justice Cairns, is reported to have taken a different approach: in his view the way to interpret the word flood was to ask oneself what meaning the ordinary intelligent man would have to it. A flood must involve a large quantity of water. It must be a question of degree. But three inches of water in a room measuring 6 feet by 4 feet could not be regarded as a flood. Because there often can be insufficient spread of risk, and concentration of demand in small areas premiums that 3 inches of water if it had entered all the downstairs rooms no standard rate per cent.

# Insurance

## Floods: A chain reaction

BY JOHN PHILIP

THOUGH the word "flood" has of the house from a river which was used in both household and broken its banks and was commercial special peril flowing in spite through the policies for very many years it street where Mr. Young's house comes as something of a surprise that until a week ago there was situated; for in that case had been no judicial decision on the abnormal violent situation described by the other judges, and by its very nature unarguably a flood outside the house. So lack of depth of water cannot by itself be a yardstick.

From the particular to the general. After the extensive east coast floods in 1962 insurers gave the Government an undertaking to provide flood cover on household goods and possessions without restriction, and without any financial excess.

But no similar undertaking was given in respect of either "buildings" policies on houses or flats or commercial insurers on premises or stock; so other than in the home "contents" field, insurers are free to refuse or to provide flood cover as they think fit, and to charge premium appropriate to the risk.

Then at the end of 1974 this property was again damaged by water, this time to a depth of three inches: inspection showed that the cause was the natural diversion of an underground watercourse. Mr. Young asked insurers to pay £700 for repairing the damage on the grounds that this was due to "flood."

Insurers disagreed, and so did Judge Stockdale at Barnet County Court. He said that although the water came from a natural source, the damage was not caused by a flood, which word must mean a large and temporary movement of water. Mr. Young appealed and on May 14 the Court of Appeal decided that whatever a flood might be, the water in Mr. Young's lavatory could not be called a flood.

Lord Justice Shaw said that the words storm and tempest connote violence, and that the whole phrase storm tempest and flood was intended to cover unusual phenomena. Flood was not something that resulted from seepage but from a large movement of water; the word "flood" was used in the sense of having an element of violence and suddenness. These descriptive words were picked up by Lord Justice Lawton who said the essence of a flood was some abnormal violent situation.

While it was difficult to define flood it was not difficult to say that the amount of water in Mr. Young's lavatory did not constitute a flood. The third judge, Lord Justice Cairns, is reported to have taken a different approach: in his view the way to interpret the word flood was to ask oneself what meaning the ordinary intelligent man would have to it. A flood must involve a large quantity of water. It must be a question of degree. But three inches of water in a room measuring 6 feet by 4 feet could not be regarded as a flood. Because there often can be insufficient spread of risk, and concentration of demand in small areas premiums that 3 inches of water if it had entered all the downstairs rooms no standard rate per cent.

## Taxation

# Eliminating the Finance Bill nasties

THE COMMITTEE stage of the Finance Bill has not yet reached the interesting and controversial provisions, but there are already signs that the Government may be having second thoughts on some of the nasties. For instance, to obtain a search warrant under the "snipers' charter" it will now be necessary for a member of the Board of Inland Revenue to obtain the authorisation of a circuit judge. Cold comfort, perhaps, but better than an Inspector of Taxes being able to track down any complacent Justice of the Peace.

It looks like the nasty little provision limiting life assurance relief, not only to one-sixth of the total income, but to £1,500 is to go (although the administrative machinery for giving the relief at insurance company level may be limited to that figure). There is some indication that there will be second thoughts on expenses, particularly on cars, and that the provisions on free loan and incentive shares will at least be modified so they do not bankrupt half the country's executives.

There are many points still needing attention. The Government has tabled amendments on stock relief but more are still needed. The long-term problem is treatment of claw-back, but this is a matter for discussion over the next two years, rather than for this particular Finance Bill. One weakness of the pro-

visions included in the Finance Bill is that there are insufficient options as to when the stock relief can be taken. A company with substantial capital investment in a particular year might prefer to take its stock relief in the following year, and this is not possible at present.

The alternative of not claiming 100 per cent first year allowances is of little value as then the normal annual allowance provisions would apply.

The decisions for companies with international activities can be particularly difficult as they may lose the benefit of some other double tax relief to which they might be entitled.

Some of the relieving provisions on CTT also need more careful examination. I mentioned the relief for "mutual transfers" to prevent tax being levied twice when A gives assets to B who then gives them back to A. This, as drafted, would not apply to transfers to and from trusts. There is a case for extending the principle to trusts. The point is not just an academic one. It can arise when a gift is made of private company shares and the share valuation is subsequently adjudicated at a higher figure than was expected. It may then be necessary to reverse part of the transaction and the law should be amended to make this possible without penalty.

Clause 82, dealing with transfers between husband and wife, is meant to clear up an anomaly, but does not. The

original anomaly arose from the fact that CTT is levied with reference to the "loss" to the donor rather than the gain to the donee. In an extreme case someone with a 55 per cent interest in a company who gives away 10 per cent of the shares would suffer a loss in value treatment. Indeed, in attempting to close up one anomaly the CTT purposes, much greater change in wording opens up than the gain to the donee. Another. Under the Clause as

incremental scales are the rule transfers of value for CTT purposes can take many other forms such as failure to exercise in private industry. This exception does not apply to many other assets, including in particular shares in private businesses, but there is no suggestion of exempting them.

One questioner put his finger on it: "I have been a little worried as your evidence has developed about the distortions inherent in the proposition in the Green Paper which you are supporting, that certain kinds of pension should be outside the scope of wealth tax. I wanted just to exemplify this point to take one particular category of pension, which I think makes a point rather clearly so that we can get your reactions and hope that you will not think me indecent if I take pensions in the public service. So as not to take on extreme case, may we take the pension paid to a deputy secretary?"

The questioner then went on to establish that in addition to £21,000 lump sum, the deputy secretary is about £14,000 per year?

"Yes."

"Am I right in thinking that his pension after 40 years of service is one half of his final salary?"

"That is correct."

The questioner then went on to establish that in addition to £21,000 lump sum, the deputy secretary would receive a pension with a capital value of £107,000 assuming a 10 per cent, inflation rate or £126,000 at a 13 per cent, inflation rate above the wealth tax starting point.

fighter of many battles including the sinking of the Bismarck some 30 other warships and about 350,000 tons of enemy shipping, to a Supermarine Walrus amphibian of 1935 vintage, designed by R. J. Mitchell (who was also responsible for the Spitfire), and various post-war jets such as the Sea Venom. The Navy's search for its aircraft has taken it to a lake in Norway, where a Swordfish shot down in a raid was refloated, to a bog in Ireland where a Barracuda was recovered, and the hills of Southern India, where an Albatross was found.

What is probably the largest individually owned collection of veteran aircraft is housed on Sir William Robert's estate at Strathallan, Perthshire. Forty-three aircraft have joined the collection since he bought a "lot" of a Hurricane and two Spitfire trainers six years ago.

Sir William has scoured the world for exhibits—a Lockheed Hudson and 1930 vintage de Havilland Puss Moth were retrieved from Australia, and last year, a Canadian-built Avro Lancaster was ferried across the North Atlantic. A Mosquito, two Harrows, a fleet of Ansons, and the only surviving Fairey Battle are other famous names in the collection. An Open Day with flying display is scheduled for Saturday, 17 July, but visitors are welcome at any time, either by road or by air, at the Collection's 3,000 foot airstrip.

The Fleet Air Arm Museum at Yeovilton, which has recently been extended, has 99 aircraft, mostly naval, but also now including the British-assembled Concorde prototype, 002, whose flying career is over.

The Fleet Air Arm Museum has scoured the world for its aircraft, which now range from a Swordfish (the famous "Stringbag" of World War II fame, the

one which is now the property of the Royal Air Force Museum, Hendon).

Admission details:

Strathallan Collection, Old Warden, Bedfordshire, SG9 9AB. Open daily, 10am, free car and all occupations.

Fleet Air Arm Museum, Yeovil, Somerset, BA2 3PF. Open daily, 10am, free car and all occupations.

Imperial War Museum, London, free.

RAF Museum, Hendon, free.

Science Museum, South Kensington, free.

Strathallan Collection, Auchterarder, Perthshire, SG9 9AB. Adults 50p, children accompanied by an adult, free. Car parking 10p.

MICHAEL DONNE

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# Motoring

## A fiver on R14

BY STUART MARSHALL

WITH THE YEAR less than half gone, it may seem a bit premature to start thinking about the 1976 Car of the Year. My excuse is that I have just driven the car that I think will win a four-way title fight.

The challengers are going to be the Lancia Gamma, launched at the Geneva Show in March; the Rover SD-1, to be unveiled at long last at the end of June; Ford's Fiesta, due in late summer; and the Renault 14, which made its debut in France this week.

Though I have not tried the Ford Fiesta yet, I think the running line-up could look like this: 1, Renault 14; 2, Ford Fiesta; 3, Rover SD-1; 4, Lancia Gamma. (If the bookmakers are listening, I would be happy to have a fiver on the result.)

Renault has aimed the 14 at the heart of the most competitive section of the car-buying market. Their new 4.5 seat five-door will have to do battle with such front-drive rivals at the JW Golf, Citroen GS, Chrysler Alpine, Alfa Romeo Alfetta, and Austin Allegro. Probably he new Ford Fiesta, too, though this will be smaller than the R14.

The Renault 14 really is a new car from bumper to bumper, not a collection of bits and pieces from earlier models cobbled together into a semblance of a new car. It has an aluminium



prepared to hold all day long. The main noise is from the gear train linking engine and gearbox, and this is not much more than a soft hum.

The engine is flexible, too, pulling hard from 20 mph in top and is far from thirsty. Driving it very hard in the Camargue and on the autoroutes of Montpellier, I returned just under 35 mpg. Consumption of 40 mpg-plus should come easily to the light footed.

Steering is light and accurate, with a good lock, and the ride is typically French. The R14 rolls softly and absorbs shock over it up in the Jaguar/Peugeot class. Wind roar is minimal and the engine sounds remote even at 85 mph, which the R14 seems

on corners if you are trying fold down or can be removed very hard but much less so if driven sensibly. The seats, upholstered in a cheerfully patterned nylon jersey material, compliment the suspension and don't stick to your back in hot weather.

Two models are being offered in France, mechanically identical but differing in interior equipment and trim. The cheaper of the two lacks a revolution counter and trip speedometer, for example, and the front seatbacks do not recline.

There is room on the rear bench for an occasional third person and the luggage arrangements are of typically Renault economy. It must do well.

Whether my Car of the Year forecast is right or not, it is clear that Renault are on to another winner with the R14.

The mix is dead right: refinement, quietness, comfort, and economy. It must do well.

## Chess

THOUGH CHESS began as a war game and although some of its strategic techniques are comparable to major outdoor sports, the game has acquired its own specialist shorthand jargon.

In many ways this is a handicap which can discourage potential newcomers to the game, and I should like to see chess writers make more use of familiar analogies with other game situations.

One example is the phase which occurs after both sides have completed their routine opening development. When there is no obvious direct attack against the king and when material and position are balanced, then chess strategy in the early middle game phase often revolves round the creation of outpost squares.

The outpost, which in chess terms means usually a knight but sometimes a rook or bishop firmly established on a strong central square, can if successful dominate the board and prevent the enemy forces gaining active play. Its analogy is the tenuous player in the net position or a soccer set piece just outside the

penalty box; while its military equivalent is the advanced striking force which cuts the opposing army's communications between base and front.

The special feature of an outpost is that it should be immune to attack from the enemy pawns, and its special strength is that it enables a player to switch to either side of the board for the most promising attack. The bisection of the defenders is a

defender often finds that the outpost effectively cuts his forces in two, just as in the soccer analogy where the set piece gives options of a direct shot or outflanking the defence wall.

A rather rare but very effective outpost situation occurs when a central pawn can push far enough into the opponent's position to create the same

well-placed knight. This week's game, from last year's Solingen international in West Germany, shows a typical follow-up to such an outpost where Black's pawn wedge prevents White bringing enough pieces to defend his king. Though Black offers a rook and sacrifices a knight, his attack is really based on superiority of force where it counts—all thanks to the pawn push and the outpost.

White: Dr. H. Lehmann (West Germany); Black: L. Polugayevsky (USSR). Opening: King's Indian Defence (Solingen 1973).

The opening moves were:

1 P-QB4, N-KB3; 2 N-KB3, P-KN3;

3 P-QN3, B-N2; 4 B-N2, 0-0;

5 P-N3, P-Q3; 6 P-Q4, QN-Q2;

7 B-N2, P-K4; 8 Pxp, Pxp; 9 0-0.

White's tame development (3 P-QN3) and cautious pawn swap (8 Pxp) have already conceded the initiative; if 9 Nxp, N-N5 wins material because if 10 N-Q3; 11 N-KB; 12 Q-B3; 9...P-K5; 10 N-N5; 11 Q-K1;

12 Q-B2; 13 Q-K1.

White intends 23 Q-K1, but Black already has four pieces lined up against the white king compared with the solitary bishop defender, while the pawn outpost keeps the other white pieces stranded on the queen's side.

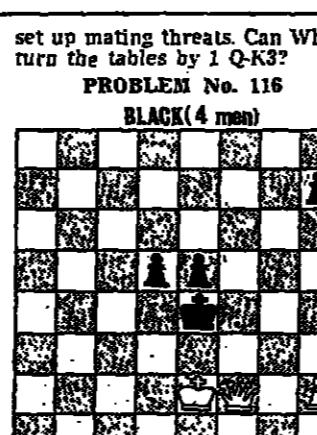
White should try 22 R-KB1.

For if 23 Q-K1, Bx; 24 Kx;

25 R-Q4, NxP; 26 PxN, Qxp;

27 R-B1, R-N5; 28 Resigns.

LEONARD BARDEN



WHITE (3 men)

Fraguela v. Larsen, Las Palmas 1976. White (to move) is a rook for two pawns up, but Black's last move NsKp threatened the latest, against any defence (by Sam Loyd).

Solutions Page 2

White mates in three moves at which Black prepares with his

White queen while Black's bishop and queen on the long diagonal

and hoping Ace and King of hearts were played dummy's ten of hearts, discarding a club. West ruffed, and got off play with a diamond. At this stage the slam is certain, but the declarer, an international player, failed to bring home the contract.

It was obvious that South's losing diamond could be discarded by a cue-bid of four diamonds, and South in turn felt that after his partner's strong response a mere four spades would not do justice to his own 20 points.

He made a further cue-bid of five diamonds—the only forward-going move that seemed possible at this point.

North felt that his powerful hand could best be indicated by a cue-bid of four diamonds, and South in turn felt that after his partner's strong response a mere four spades would not do justice to his own 20 points.

He made a further cue-bid of five diamonds—the only forward-going move that seemed possible at this point.

North now said five hearts. South said five spades, and became declarer at a final contract of six spades. This was a very intelligent bidding sequence—now all South had to do was to make 12 tricks.

West led the eight of diamonds, which was won on the table by the Ace, and everything seemed set fair until South cashed the Ace and Queen of trumps, and learnt that West had a sure trump trick. The

declarer seemed to have a blind spot, but as Terence Reese says, it is easy to miss an endplay when the throw-in card is a trump.

At this point the declarer

E. P. C. COTTER

## Bridge

BREAKING WHAT IS for him new ground, Terence Reese has produced his latest work, Bridge by Question and Answer (Arthur Barker, £3.25), which consists of some 75 problems of real excellence. I thoroughly recommend this book—I am confident that you will not be disappointed.

Here is a slam hand, which the original declarer failed to make:

N.  
♦ K 6 3  
♦ Q J 10 8 2  
♦ A 4  
♦ 8 3  
W.  
♦ J 6 5 2 ♠ 10  
♦ Q 7 6 5 ♠ 4  
♦ 8 5 ♠ K Q J 10 7 6 3  
♦ K 7 4 ♠ 10 6 5 2  
S.  
♦ A Q 8 7  
♦ K A 3  
♦ Q 2  
♦ A Q J 8

East was the dealer, with both

sides vulnerable, and hoping that a pre-emptive bid might make things difficult for the trumped up with a singleton. At this stage the slam is certain, but the declarer, an international player, failed to bring home the contract.

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At this point the declarer

E. P. C. COTTER

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# Travel

## Busy on holiday

BY SYLVIE NICKELS

A SPRING or two ago, I joined a group of bird watchers on Majorca for a couple of days. It was at that rugged northern end of the island round Puerto de Pollensa. We did a lot of walking under towering cliffs and sitting around on mountain slopes fragrant with thyme and rosemary, and we spotted all sorts of things from an osprey and three booted eagles (light phase) to a fox crest and a pied fly catcher. Everyone was extraordinarily nice, lending me binoculars and bird-identification books, and not even laughing when one of my "spotting" turned out to be an aircraft.

People with special interests usually do seem rather nice I've found, and there is certainly no shortage of all-in arrangements these days catering for most likely pursuits, as well as quite a few unlikely ones.

Still on the subject of birds, Cox and Kings have a particularly varied programme to some of the geographically most suitable parts of the world, such as northern Scandinavia, Spanish Pyrenees, French Camargue and Romanian Danube Delta. A 15-day holiday to the latter departs August 14 and costs from £250, for example.

Quite a few departures, however, are in spring or autumn, timed to coincide with migration movements; nearly all are accompanied by an expert in the field. An exception is a 16-day arrangement to the Seychelles with twice-weekly departures throughout the year, costing from £450. Though there is no escort in this case, the price includes two nights on the naturalist's paradise of Bird Island; other excursions are available as optional extras.

Some arrangements have a dual appeal. Ramblers Holidays, for example, twin flowers and photography in a number of European centres. Swiss railways, including the vintage variety, provide another popular theme in Ramblers' annual programme (15 days departing June 12 this year, for around £200 all-in). But this company are best known for their mountaineering and walking holidays for which the range is consider-

Your week-end E: Austria 32.0, Belgium 42.5, France 32.0, Italy 35.0, Greece 61.5, Spain 21.25, Switzerland 42.0, U.S. 1.75. Source: Thomas Cook.



Riding in Spain

able at most levels of altitude, experience and creature comfort. They usually last two weeks, and each is carefully described so that it is certainly not Ramblers' fault if you find yourself roughing it on a tough high level walking tour when you are better equipped for gentler activity from a hotel base.

The choice is particularly wide in Austria and France, but there are also far less obvious places like the Semien mountains of Ethiopia (two departures in October, in the medium-strenuous category, from £261).

I have merely flown over this extraordinary chunk of African topography, but to be among its granite spires and plunging precipices must be quite unforgettable. Accommodation is mostly under canvas.

A friend of mine recently crossed the Semien on a mule, but riding enthusiasts will probably prefer rather more orthodox equestrian ventures offered by a number of organisations. Among them is Aventure whose well-established horseback expeditions are based on Andalucia. They offer frequent departures from May to October to the Sierra Nevada, and spring and autumn ones to the Valley of Lecrin in the neighbouring mountains of Granada. Details, at home and abroad, are among Heritage Travel's specialities.

In Britain, the various tourist

£239. As for all activity holidays, Boards, national and regional, of course, you need to be fit and prepared to expand some energy. Waymark is another. "Activity Holidays '76" (60p plus 20p postage), for example, has over 80 pages of ideas ranging from antiques to yoga, with addresses and prices.

Art in its various forms and gentler way, also attracts a considerable following, some exploring their own talents for the first time. Galileo's art-tutored painting holidays entered their 28th season this year, and their annual exhibition based on these shows how much latent talent some of us may not know we have.

In addition to over 30 centres in the U.K., Galileo offer a number of places on the Continent, chosen among other reasons for their own intrinsic charm or the beauty of their setting. Belgian Bruges and Spanish Cadiz are among the foreign offers, while the choice in Britain ranges from Woodbridge in Suffolk to Whitby in Yorkshire. Some courses are specially for beginners, others general painting weeks, yet others concentrate on some aspect such as portraiture or landscapes or flowers and foliage. For a week, the all-in cost is in the £45-£60 range. Music festivals, at home and abroad, are among Heritage Travel's specialities.

Sierras; duration 15 days, cost £239. As for all activity holidays, Boards, national and regional, of course, you need to be fit and prepared to expand some energy. Waymark is another. "Activity Holidays '76" (60p plus 20p postage), for example, has over 80 pages of ideas ranging from antiques to yoga, with addresses and prices.

Further information: Cox and Kings, Vulcan House, 46 Marshall Street, London W1V 2PA; Ramblers' Holidays, White Horse Inn, Cheltenham, Gloucestershire GL50 1JL; Waymark Holidays, 26 Little Road, London SW6 7LL; Galileo, 42 Cathedral Place, St. Paul's Churchyard, EC4M 7EP; Heritage Travel, 100 High Street, London SW1; French Government Office, 10 Grosvenor Gardens, London SW1; Localist Travel Office, 72 F. Raili 2, 4600 Lucerne, Switzerland.

# Gardening

## Permanent friends

BY A. G. L. HELLYER

STRICTLY SPEAKING peren-sputing away to dimensions handbook, is a far more miles are any plants that go on that one had never adequately ambitious work, a large volume living indefinitely, but the visualised when they were of 389 pages well illustrated, garden convention is to confine planted.

strongly bound, and costing the term to plants of fairly soft growth. This excludes the real "woodies" which are more conveniently referred to as trees and few have the discipline and ductory matter to a minimum,

or shrubs, but admits many comprehensiveness of genuine and by page 40 is launched on plants that are technically encyclopaedias. So I welcome its straightforward alphabetical

known as sub-shrubs because the latest publication on the way with a short but adequate framework of stems which never Plants, by Graham Stuart Thomas, whose books on old

become really hard and are Thomas, whose books on old garden roses and shrub roses winters. It is not a particularly long time in great demand:

convenient for these are all was associated with James Russell at the Sunningdale Nurseries and the catalogues

they jointly produced became

for many years

garden adviser to The National Trust, and still, in semi-retirement, retains the position of

Modern Florilegium, a title garden consultant to that body.

So he has been able to observe

use them wherever a degree of

permanency is required, which

is a subtitle to Perennial Garden

Plants, and in his foreword

rearrangement or renewal for Mr. Thomas explains that he

chose it originally as the Latin

equivalent of "anthology", mean-

Trees and shrubs are far less

obliging and have an uncomfort-

able habit of growing too slowly

at first, and then suddenly

they grow rapidly and can pass on

in a tiny fraction of the species

that could be grown in British

gardens. It is a difficulty that

keen gardeners have usually

succeeded in overcoming by per-

sonal exchange, by acquisitions

from non-commercial sources

and by raising plants from seed

which is often available even

when plants are not.

Certainly there are many

plants in this book of which I

knew nothing — streptocarpus, for

example, which is described as

allied to polygonatum, the Sol-

omon's Seal of which I am par-

ticularly fond. One species,

named streptocarpus, sounds

particularly attractive, for it is

said to have stems which twist

and branch, and bell-shaped

flowers which are of old-rose

tint. Mr. Thomas recommends

it for a "dimpay corner," but

gives no explanation as to what

"dimpay" means. It is one of

the very rare occasions when he

does not make his meaning com-

pletely plain.

Mr. Thomas has not only writ-

ten this long and erudite work,

but has also illustrated it enti-

ally himself, with photographs

in colour and monochrome, one

charming water-colour of the

American lady's slipper, cyri-

pedium reginae, and 16 delicate

pencil drawings. It is because

he looks at plants so closely that he is able to describe them so

well.

including wine, a further £4

£5 a head. But for the armchair

betting man there is the perfect

compromise of sitting in a warm

unheated area but nevertheless

participating as an on-the-spot

spectator with the additional

convenience of being able to

press a button and have a

messenger place a bet, return

with the ticket and then pick up

any winnings. It's suspiciously

like king-size television.

While every effort has been to

woo the public there is grave

concern behind the scenes over

that perennial bugbear, money.

The basic problem is that very

costly facilities are producing

too low returns and no

accountant like that. Although

the average purchase price of a

dog is only £160 — something like

75 per cent are brought over

from Ireland — they can easily

cost a lot more with the right

kind of breeding or record and it

would cost more like £2,000 for a

first class dog and up to five

times that for a Derby winner.

The average cost of keeping

a dog in kennels and training is

£9.47 a week and that is where

most dogs are kept; the kennels

are either attached to the sta-

dium or run by independent

trainers. A dog that is truly fit

will normally not race more

than once every ten days. The

rewards are small for the owner

as first prize more often than

not is under £25.

The main reason given by the

promoters for the low prize

money is that they are not get-

ting the revenue to make the

amounts more attractive. They

do not receive a levy on off-

course betting as happens in

horse racing and the legislation

of betting shops in the early

60s reduced the number of

people going to the track to bet

from a peak just after the

Second World War of a total of

208 major tracks and club tracks

with over 25,000 dogs in train-

ing there are now 109 tracks and

club tracks with 11,500 dogs in

training. Until recently most

of the tracks were individually

owned except for a string of 12

owned by GRA, a public com-

pany with diverse but badly

troubled property interests. Now

Ladbrokes has bought six sta-

diums and Coral one and there

are

## How to spend it

### The Specialist Shops

Almost every successful shop has to have a distinctive identity and in that sense every good shop is a specialist shop. However, this week I am featuring a few shops that are specialist shops in a more limited sense in that they concentrate on particular ranges of merchandise. Alas, specialist shops often seem to need a large metropolis like London to flourish, in which case they do offer a mail order service I say so.



MONG THE GARDEN furniture on display at last week's Chelsea Flower Show I decided that a collection of cast aluminium furniture by the firm of J. Neall seemed to look like the most at home beneath a grey English sky. All those brightly-upholstered chaise-longues, bravely pretending that the weather was just like the South of France (it was otherwise) of the sort I looked to my eye distinctly out of place.

I know that these Neall designs are not original but they appear to like the rather ornate and fussy lines in garden furniture. There are several different types of designs of which can be seen at the Patio Store, 171, Ladbroke Grove, London, S.W.11. The shop specializes in garden furniture and is run by the same Mr. Neall. He likes making special designs and will enamel the cast aluminium in a wide range of colours if wanted.

Cast aluminium is much lighter than wrought-iron so the furniture can be moved, but not so light that they tip over in the wind. The paintwork is stove-enamelled so that it doesn't rust and it can therefore be left outside all the year round.

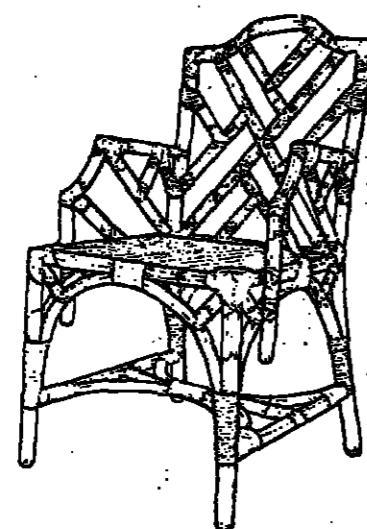
The Adam chairs in the picture are £16.50 each, the Lily table, 28 in. in diameter, is £22.00. The small stool, on which the flowers stand, is £12.00.

THE REJECT SHOP idea is such an obviously simple one that one wonders in retrospect why it took so long for anybody to do it. The answer is, I suppose, that other people tried it but didn't do it with the panache that Anna and Anthony Hawser have brought to it.

They decided that they would sell only nice things but they would be able to sell them cheaper because they would be ends of lines, or manufacturers' discontinued stock, or would have some flaw small enough or invisible enough not to spoil the item itself.

They therefore got together a rather glossy-looking shop at 245, Brompton Road, London, S.W.7 (not far from Harrods), and from the beginning it was an amazing success. They followed this up with a branch at 62-63, East Street, Brighton, and this week they opened the largest and newest branch at 209, Tottenham Court Road, London, W.1.

Here they have expanded the range



Rattan chair

goods they sell enormously—they hope to have much more furniture and for the opening there was quite a selection of the newly fashionable rattans, as well as the more usual chrome and glass. They are also branching out into clothes—housecoats, scarves and full-length sarongs, while the usual glass, china, basketware, toys and so on have not been left out.

They claim that prices are between 20 per cent. and 50 per cent. below normal retail levels though I have to say that many things didn't seem as cheap as I had expected.



Home Sweet Home mugs

To give you some idea of the sort of merchandise you'll find at the new shop here is a selection. The rattan chair is £38.50. The cup and saucer is from the Butterfield pattern by Enoch Wedgwood and is 72p for the two. The plate from the same collection is 40p. The Home Sweet Home range of pottery is particularly attractive and new to me. The small planter (it is only just over 4 inches high) has a greyish-bluish background with edging and writing in an earthy brown. It is £2.00, while the collection of similar mugs sell at 65p each.

POOLEY'S IS A VERY specialist, specialist shop, if you see what I mean. It only opened last month and its raison d'être is to sell high-quality leather and cork goods.

All the cork items have been made exclusively for Pooley's and include things like a pen holder, letter rack, lighters, coasters, and the like.

On the leather side the chief range they will be carrying is the very high-quality German collection by Etienne Aigner. It is available in London for the first time from Pooley's and though its name is nothing like as well known as Gucci and Hermes, it is in the same sort of class.

For the moment they are mainly selling the smaller leather items—things like handbags, note-pads, key rings, and so on, but they have a collection of Etienne Aigner suitcases coming in shortly.

Pooley's does sell a few things that aren't made of leather or cork—marble door-stoppers and ash trays, Cabbosier lamps and cache-pots.

As yet there isn't a mail order catalogue but they hope to print one soon. Meanwhile for those who are shopping in the Knightsbridge area and are interested in exclusive

LAST week a shop specializing in pure silk clothes for men was opened at 120, New Bond Street, London, W.1. The brainchild of the Cecil Gee organisation and called simply "Cecil Gee Pure Silk" it might seem a gesture of almost absurd optimism to be opening such a shop at such a time.

However, as they rightly point out, now that everything is expensive silk has come to seem, comparatively, less of a luxury fabric. Silk shirts often sell for the same price as the best cotton shirts and silk cost the same as those of high quality wool or wool/polyester, while silk used for underwear, socks, pyjamas, dressing-gowns and the like seem to be only slightly more expensive than top-quality rivals.

For those who think of silk as the lightweight, fine material usually associated with blouses the range of silks at Cecil Gee is something of a revelation. There are a variety of weights and weaves and it has been used for suits, evening wear, shirts, underwear and what I call nightwear but they're rather coyly called sleepwear.

I see it as being a potential answer to all those desperate searches for presents for the menfolk in my life. For men who like shopping for themselves the shop offers the additional attraction of a shower complex with Givenchy, (what else?) towels, and a Teflon-coated scarf.

This year's silk dressing-gown which is piped and monogrammed in black is from the shop and seems to me one of those numbers that would look just as good on a woman. It comes in three sizes, small, medium and large and may also be black with cream piping and is £69. The black pin-striped scarf is £14.95.



### Shapely but nameless

IT HAS TO BE SAID at once that Rosenthal's newest collection of earthenware is far from cheap. But to my mind it represents such a departure for Rosenthal, being at once so rich and elegant-looking, that I think it is worth showing even though only a few of us will be able to afford to buy it, let alone use it.

Called "Shape Without a Name" Bjorn Winnblad, the Danish designer, was responsible for this collection. He has obviously gone through something of a revolution in his approach to earthenware, that it is a long time since I have seen shapes at once so pleasing and so original.

The four-leaf clover forms the basis of the pattern and the shapes have a sturdy, roundness that seems a happy departure from all the strictly geometric-looking shapes

that seem to have been emerging from Rosenthal over the past decade.

The pottery can be either earth brown or a leafy green. A 24-piece dinner service is £85.15, a 23-piece tea set is £49.20, while the 18-piece coffee set is £45.80. In green the prices are slightly lower.

A particularly luxurious version in brown with gold patterning is shown in the photograph and the price for this dinner service is £183.70. A tea set is £84.95, and a coffee set is £65.30.

To complement the earthenware there is a series of glassware and cutlery—

For the moment all the Shape Without a Name collection is exclusive to Heals, 196, Tottenham Court Road, London, W.1, and Tunsgate Guildford.

### Postscript

NOW THAT summer is here it is useful to know that Benedicts mayonnaise (which to my mind is one of the only two decent bottled versions, the other being Hellmann's) has reduced its price so that a 3½ fl. oz. jar is now 39p instead of 59p, the 12½ fl. oz. jar is 42p instead of 49p, and the giant 19½ oz. jar is 65p instead of 72p. For picnics they have also produced a mini-tube of mayonnaise which costs 21p for a 3½ fl. oz. tube.

For those with deep freezers

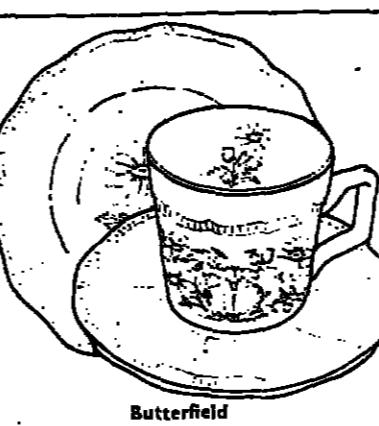
and a forgetful turn of mind

This is primarily a tool for frozen food bag sealers

portions that seems quite considerable electric band saw needed for cutting up joints of meat. Like cutting up joints of meat. Like all the Kitchen Devil Lifetime knives this is guaranteed for a lifetime of normal use. I obviously can't wait for a lifetime of normal use before passing an opinion on it, I can only say that I have used other knives in the same range for several years now and they are still doing sterling service.

The knives are to be found at Solridges of London, Kendal, Maine of Manchester and Bentalls of Kingston, H. is £2.20.

One other frozen food accessory from the same firm is a



Butterfield



Home Sweet Home planter

### Some of the worst wounds...



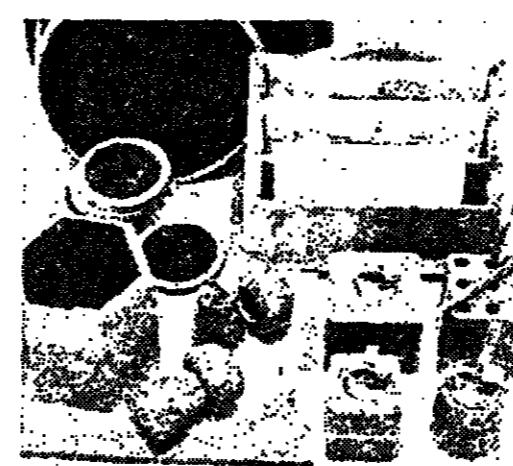
are the ones  
that don't show

It used to be called shell-shock. Now we know more. We know that there are limitations to the human mind. Soldiers, Sailors and Airmen all risk mental breakdown from over-exposure to death and violence whilst in the service of our Country. Service...in keeping the peace no less than in making war. We devote our efforts solely to the welfare of these men and women from all the Services. Men and women who have tried to give more than they could. Some are only 19, a few are nearly 90 years of age. We help them at home and in hospital. We run our own Convalescent Home. For some, we provide work in a sheltered industry, so that they can live without charity; for others, a Veterans' Home where they can see out their days in peace. These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help to repay this vast debt. It is owed by all of us.

"They've given more than they could—  
please give as much as you can".

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cork or leather items, the address is 198, Walton Street, London, S.W.3.

Prices are not, obviously, cheap. In cork or leather items, the address is 198, Walton Street, London, S.W.3.

THE tennis season is just under way and for those who don't feel that their existing tennis wardrobe does much for their appearance Debenhams had the good idea of asking Hardy Amies to design an exclusive range of tennis clothes to be sold through the 20 branches of Debenhams.

Ever since Teddy Tinling left Britain for America we have had nobody who took a special interest in tennis clothes and, as tennis and indeed all sports, are enjoying such a vogue, it seems a good moment to inject some interest in that area.

Hardy Amies, it has to be said, hasn't designed a range that is over-exciting but it is extremely reasonably-priced, very practical (a variety of easy-care fabrics have been used, all of which go into the washing machine and all need just a minimum of ironing) and very functional, in that it would actually be possible to play a good game of tennis in them.

Most of the clothes would be very acceptable on the most hallowed lawns as only a little trim of scarlet, navy and green stripes has been used on predominantly white garments. For those who like their designers to sign their name there is an H.A. motif on skirts and shirts.

The collection comprises clothes for both men and women but in the photograph there is a shirt, skirt and cardigan for women. The acrylic short-sleeved shirt is £4.25. The flared skirt has a flat panel pleat at the front and back and a tie belt. It is 87 per cent. polyester, 13 per cent. viscose and costs £15.75.

The complete range is available from the sports departments of most Debenhams stores.

## THE FINANCIAL TIMES

# INTERNATIONAL SURVEY OF EXPENSES FOR THE TRAVELLING BUSINESSMAN

This new survey, produced jointly by the Financial Times and Industrial Market Research Ltd., provides a detailed study of the expenses likely to be incurred by travelling businessmen around the world. In all, 61 major business centres in 56 countries are covered.

Tables for each centre give the average rate for a hotel room and the costs of meals, snacks, drinks and other incidentals. Restaurant and night-club charges are also dealt with in detail.

Consulting a doctor, communications, transport, entertainment, publications, cigarettes — even the laundering of a shirt — are all costed in the local currency.

And, to complete the picture, there is advice for the business traveller, with a rundown on local customs affecting business and social activities and a list of public holidays for each area.

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**Spain again**

ON THE COSTAS of Spain the tall apartment blocks continue to rise like trees in the forest, and the villas to mushroom on the sides of hills already almost packed to capacity with bricks and mortar. It is difficult to believe that so much can still be built, and sold, but the Spaniards themselves are buying holiday homes now, and out-

wardly, at any rate, there is an air of activity, even prosperity in a property market no longer besieged by the British.

There are other changes, too, on the Spanish property scene, not unexpected in today's economic climate. The steep increase in the price of petrol over the last six months, as well as the high cost of conversion work has cut down the trek to out-of-the-way hill villages to do up isolated farmhouses; and particularly on the Costa Blanca, which I visited last week, the set-up of various selling operations has changed too.

At Raspeig, the award-winning apartment complex at Campello, about 8 km. from Alicante, so long under the wing of OSL (Owners' Services Limited), the selling of the new phase, "Barrancito," has been taken on by International Investment Consultants, who have made sound

For those who are already owners or controllers of overseas property, it makes sound

The Pueblo Los Alamos is almost on the beach at Denia, on the Costa Blanca; it is built around a central courtyard. There are attractive apartments for sale from £95,000 pesetas. Brochures, Villas Ferrer, Sanjurjo 22, Denia, Spain.

Photograph Trevor Keenan

sense to become an OSL member, arrangements and so on. The handbook is almost a complete and professional and seems to provide a memoir of all you need well worth the cost of £3.24. For a Rockitt's, MG 152, Javes, Wansbeck, and office accommodation, and most important, has some ready cash."

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## HOME NEWS

# SNP will pick own terms to oust Government

BY RAY PERMAN, SCOTTISH CORRESPONDENT, IN MOTHERWELL

SCOTTISH NATIONAL Party members are prepared to vote with their Opposition parties to bring down the Government, but only if an issue of their own is raised.

In "bringing the Government down" the SNP members will choose their ground carefully. They are willing to risk the slight favour of shipyard workers in the West of Scotland by voting for the Conservatives' threat to pairing arrangements with Westminster for independence.

Government have put the 11 P.MPs in new position of strength at the opening of the party's annual conference at Motherwell, insisting on an unprecedented mood of confidence all the talk is of independence.

Only an independent Scotland strong with oil revenues could genuinely safeguard jobs, they say. They will propose their own amendments to the Bill in the Committee Stage, but vote against it on Third Reading. They are prepared to vote with Opposition parties on any matter the Government makes into an issue of confidence.

Mr. Wilson added after the conference: "The Government has no majority. It is a lame duck administration and it is accident-prone. If our aim is not only to bring down the Government but to get self-government, we need an election for that purpose."

He defended the Parliamentary group's decision to vote against the Government on shipbuilding nationalisation in defiance of telegrams from the shop stewards' committees

then we must choose our own issue."

The SNP is confident that despite opinion poll evidence that the party commands only 30 per cent support from the Scottish electorate, an election in the near future would give it a majority of the 71 Scottish seats and a mandate to negotiate with Westminster for independence.

The party is sure that independence is the only way on which it can thrive. In his address Mr. William Wolfe, the chairman said that there were "irrefutable indications" that the Scottish people were looking to the SNP for leadership.

"As polls have shown, half the people now believe that Scotland will be better with independence compared with only 19 per cent six years ago. Also, a majority believes that independence is inevitable—that Scotland is self-firmly on the road to self-government.

"More and more people want to know what independence means in terms of effect on their lives, their hopes, their communities and on the future of their children."

## Dublin and Ulster agreement on stronger border security

BY GILES MERRITT

"live-and-let-live" approach to border security operations in Northern Ireland, apparently emphasised the need for improved communications between the two police forces. The setting up of a police "hot line" or a special radio network has not been ruled out.

Although Mr. Rees is staying overnight at the British Embassy in Dublin for talks with the outgoing Ambassador, Sir Arthur Galsworthy, before returning to London, he will not be meeting Irish Premier Mr. Liam Cosgrave. His official contacts with the Dublin Government have been limited to the meeting today at the Department of Foreign Affairs, at which he also outlined the current political situation in Ulster.

During several hours of talks with Foreign Affairs Minister, Garret Fitzgerald, and Justice Minister, Mr. Patrick

Cooney, Northern Ireland Secretary, Mr. Merlyn Rees, apparently emphasised the need for improved communications between the two police forces. The setting up of a police "hot line" or a special radio network has not been ruled out.

Ever since the heavily armed SAS unit was arrested inside the Irish Republic on May 5, British Government sources have stressed that established cross-border communications would have averted the comparatively low-level decision not to return the men and the present embarrassing situation would have been avoided.

By common consent and because the matter is now sub-

## Slater unit trusts may change name

BY KEITH LEWIS

CONSIDERATION is being given to changing the name of Slater Walker unit trusts. This has been prompted by suggestions from professional advisers that the title is now a negative marketing factor.

The unit trust group consists of 39 authorised units with a total value including a number of unauthorised offshore funds, £100m. The group is not engaged in active promotion since Mr. Jim Slater, chairman of the parent company, Slater Walker Securities, last October, SW as been faced with a steady decline of investors selling their units since that time.

The most likely new name for the group would appear to be Britannia, or possibly National Britannia. This would reflect the incorporation into W or two other major unit trust groups—National Gilt, formerly part of Sir Deacons' empire, and Jessel Britannia, which was owned by Jessel Securities, now in liquidation.

The rationalisation programme of the unit trusts has continued and six of the funds shortly to be converted into one. It is hoped to reduce the total number to about 22 by the end of this year.

Mr. Jim Nichols, chairman of Direct Spanish Telegraph and director of SW Trust Management, was asked about share price relative to asset value. He said a study had been undertaken on the matter.

## Harcros Investment Trust Limited

The sixty-seventh annual general meeting of Harcros Investment Trust Limited will be held in London on 23rd June. The following is an extract from the statement by the Chairman, Mr. G. O. PEAKE, O.B.E., F.C.A., which has been circulated with the report and accounts.

For the year under review, we are able again to show an improvement in gross revenue which totalled £469,524 compared with £479,015. Increased investment in the commercial and industrial sector in the early part of 1975 contributed to the additional £17,700 received from that part of our portfolio but as anticipated last year, lower interest rates on reduced liquid resources resulted in a decline in income from that source and we received £20,211 against £36,902 previously. From net revenue of £403,209 after taxation, compared with £296,370, the Board recommend a final dividend of 1.17p per unit making a total for the year of 1.40p against 1.40p.

The rally in UK ordinary share prices that occurred in the first quarter of 1975 gathered momentum throughout our year to 31st March 1976 as the stock market took encouragement from falling rates of interest, the improving outlook for the balance of payments and some progress towards reducing the rate of inflation. Although a measure of economic improvement is apparent, formidable problems still beset the UK authorities. With our declared policy of maintaining a sizeable interest in the plantation industry, which represented 47% of our investment valuation at the end of March, and many of our other holdings either directly or indirectly earning substantially overseas, we believe the portfolio spread will stand us in good stead. At 31st March 1976 the Trust's net assets totalled £9,153,335 indicating a value of 48.15p per 10p unit compared with 41.84p.

Income in the current year from the general part of the portfolio should continue to benefit from increased investment in 1975 and, in particular, from the substantial funds invested in rights issues. At 31st March 1976 the Trust was fairly well invested which we felt to be right in the circumstances but as the year progresses it may be considered prudent selectively to reduce holdings and to restore a degree of liquidity. Present indications are that overall, notwithstanding dividend controls, we can look for some further increase in our income for the year to 31st March 1977.

## Danish line plans new Tyne service

BY OUR SOUTH SHIELDS CORRESPONDENT

ALL-YEAR passenger sailings between the Tyne and Denmark will be introduced in the spring of 1978 by DFDS, the Danish year schedule.

The company now operates a summer service between Newcastle and Esbjerg from May to September each year, using the 8,000-ton car ferry England.

The extension to sailings throughout the year will follow the introduction of a new 14,000-ton car ferry—just ordered in Denmark—on the company's main Harwich-Esbjerg service since 1978.

DFDS announced yesterday that it had placed a £23m. order for the new ferry with Denmark's Aalborg Shipyard.

## Home Office ignored my orders, claims Lyon

BY JUSTIN LONG

MR. ALEX LYON, Labour MP for York, yesterday accused the Home Office of failing to carry out his instructions when he was the department's Minister of State.

Mr. Jeff Rooker (Lab., Perry Barr) took further opportunity to pour scorn on Sir Harold Wilson's resignation as leader of the opposition during a series of debates raised by backbenchers.

Speaking about the work of the wages inspectorate, Mr. Rooker claimed that "fat cats" of the City and show business were celebrating their new knightships and peerages while thousands of workers were not being paid the statutory minimum wage.

Mr. John Grant, Employment Under-Secretary, said his department was looking at the procedure for prosecuting companies guilty of underpayment to make sure prosecutions took place wherever justified.

## Fines under Safety Act average £75'

BY DONALD MACLEAN  
DISQUIET over the "low level" of fines imposed by the courts for breaches of the Health and Safety at Work Act of 1974 was expressed last night by Mr. Harold Walker, Minister for Employment.

The fines averaged "only £75," he told the British Safety Council's annual banquet in London.

"Strong concern has been expressed that the courts have not responded to what were clearly Parliament's intentions—that transgressors—those who expose the health and safety of others to danger—should be appropriately punished."

"Penalties should be a deterrent." Recently, a firm had two tenders to remove asbestos. They accepted the lower, more modest bid because of dangerousously high levels of dust in the Hawley, detailing widespread abuses on the Indian subcontractor, paid the fine and still showed a saving on the job affecting illegal immigration into the U.K. of £2,000."

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## Engineering attack on banks over export

BY OUR INDUSTRIAL STAFF

AN ATTACK on the banks for failure to support engineering export efforts was made yesterday by the Engineering Industries Association.

"For too long the industry has been betrayed by the bankers and it is time the banks were brought to heel to help share in the risks in which the exporter is constantly involved," said an EIA statement.

"What use are the enormous bank profits to this country when vital export orders are in jeopardy?" It must be remembered that the real wealth of the nation comes from the engineering manufacturer, whereas it is the speculator, in particular the property developers, who have received the bulk of money available from banks for many years."

The statement challenges recent pronouncements from the Confederation of British Industry and the Department of Industry about the return of confidence to industry which has shown

The wide-ranging association comments criticise the Government for legislation seemingly aimed at damaging the private sector; the CBI for not adequately representing the views of the engineering industry; and the nationalised industries for putting prices up and adding to inflation—particularly the British Steel Corporation.

The association also says that the Export Credit Guarantee Department's guarantees cover only very large sums, and the ceiling for loans should be reduced to a level which would interest the smaller exporter.

The statement sums up: "If we as a nation are to continue to export to survive, then the Government must ensure now and henceforth that (a) They ensure reasonable prices for raw materials essential to the engineering industry (b) provide power at reasonable rates and (c) Provide more sound and realistic finance for export."

## Dividends up 16.5% as May profits fall

BY MICHAEL BLANDEN

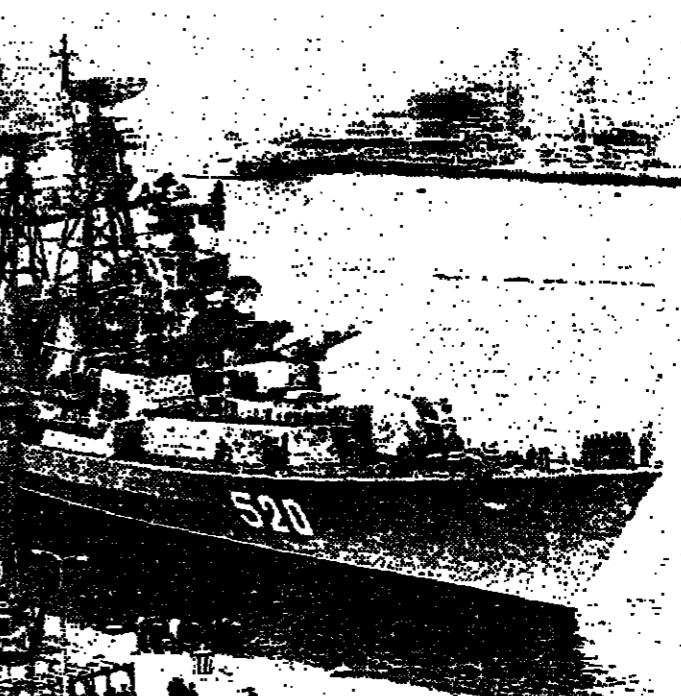
DEVELOPING countries could default substantially on debts as a result of prevailing pressures, but it is vital that this should not lead to a disastrous chain reaction of default and credit withdrawal," Sir Jeremy Morse, deputy chairman of Lloyds Bank said yesterday.

Such a domino effect could produce a new and deeper recessionary impulse by bringing an immediate contraction of world trade and capital flows.

It could also do more permanent damage to the world economy "by destroying a large part of the machinery of international lending, particularly the commercial network of loans to developing countries."

Banks were constrained both by the high level of exposure already reached and by their impaired capital ratios, and the borrowers needed to lengthen action which could be undertaken.

First, debtor countries whether developed or developing



Vice-Admiral Vladimir Leonov said yesterday that the rapid expansion of the Soviet navy was not aggressive in intent but had been undertaken to "defend the peaceful construction of the Soviet people."

He made his remarks at a Press conference aboard the destroyer Obraztsov (writes David Satter). The destroyer docked yesterday in Portsmouth for a five-day courtesy visit, the first such visit by a Soviet military vessel to this country since 1956. A reciprocal visit to the port of Odessa by the Royal Navy destroyer Devonshire began yesterday.



Vice-Admiral Leonov said the purpose of the Obraztsov's visit is to give tangible confirmation to the improvement in relations achieved in Anglo-Soviet talks last February. When asked about large-scale Soviet naval construction, he said such construction has gone on and will continue, but that other countries besides the Soviet Union also have expanded their navies. "We shouldn't lag behind," he said. "The Soviet people should be secure in their peaceful labour." There were demonstrations against the visit.

## N. Sea oil stake by U.S. group

By Ray Daft, Energy Correspondent

ASHLAND OIL, the Kentucky-based company, has bought a substantial stake in Bow Field, possibly one of the biggest oil finds in the U.K. sector of the North Sea.

It has agreed to buy half of Bow Valley's 28 per cent participation in the field for £15m. Canadian dollars (£8.47m.). Ashland will finance Bow Valley's future share of development costs—if the field is declared commercially—and recover the outlays from production of Bow Valley's oil production.

Neither company would comment on the possible cost of development, although it is estimated in the industry that the final figure would be over £1bn. No decision has yet been taken on development plans, however, as this will depend on future appraisal work.

The agreement—which also involves a 50% stake in Bow Field in which Bow has a 35 per cent stake—depends on appropriate legal rulings, and the approval of the necessary government agencies.

It is assumed that as the deal involves a change in license ownership, which needs government approval, Bow Valley and Ashland will have to agree to the principle of State participation before the field is developed.

The find has estimated recoverable reserves of 800m. bbls. barrels of oil and 2,000,000,000 cubic feet of gas.

The third, and most successful, of the three wells to date penetrated more than 1,000 feet of oil-bearing sand and was tested at rates as high as 5,500 barrels of oil per day and 9,500 cubic feet of gas per day.

## State spending cuts welcomed by Grimond

By Peter Hennery

MRI. JO GRIMOND claimed yesterday in a letter to Liberal candidates that the curtailment of Government expenditure was not only necessary for the liberty of the individual but might also be a positive boon in preventing injurious things.

The Liberal leader said: "To want more and more of everything regardless of size or quality is the mark of a barbarian. The Parliament would not necessarily be improved by being ten times in size."

## Plan outlined to ease debts of developing countries

BY MICHAEL BLANDEN

THE majority of developing countries can make their way in the financial markets of the world, and it could simply promote the catastrophe I have described if they were to impair their credit-worthiness in their lending to developing countries.

Such a domino effect could produce a new and deeper recessionary impulse by bringing an immediate contraction of world trade and capital flows.

Second, "the official world must recognise, as some of its spokesmen already do, that commercial lending to developing countries cannot go on at the same pace as in the last two

years. Banks were constrained both by the high level of exposure already reached and by their impaired capital ratios, and the borrowers needed to lengthen action which could be undertaken.

Third, "the international banks, as the main channels of

developing countries could not ask for any commercial lending to the general moratorium on their debts.

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## OVERSEAS NEWS

# Sharp rise in major U.S. economic indicators

BY DAVID BELL

The U.S. index of leading indicators, the set of statistics assigned to project future trends in the nation's economy, rose sharply last month.

In March preliminary figures indicated a puzzling fall in the index, but the Commerce Department said to-day it was still up by 0.4 per cent. in the latest survey. However, the latest surveys of consumer confidence do not tell quite the same story, with consumers apparently distrusting the current upturn. Retail sales have been less buoyant than expected in the past two months, although they are picking up again.

Last month the index, which covers 12 key indices, rose by 1 per cent. which is the second biggest increase in the past nine months although once again the department cautioned that it is still a preliminary figure. This month's index omits the figure for the average working week because it was distorted by the Easter holiday and it also contains no figures for inventories, these are not yet available.

It was the inventory figure which caused the major revision of the March index and the department said to-day it was a sign that businesses were expecting consumers to go on buying at a strong rate and are stocking up in anticipation of this. However, the latest surveys of consumer confidence do not that shows no improvement.

Similarly the building permit index remains sluggish, suggesting that the construction industry still has to shake off the effects of the recession and that it too may not be entirely confident about the future.

Of the statistics available for April, the April index shows that improvements in vendor performance, net business formation, new car prices, changes in sensitive prices, money balance in 1967, dollars and change in total liquid assets. The falls were in the layoff rate, new orders in 1967 dollars, contracts and orders for new plant and equipment and building permits.

Today's morning shows that more than two-thirds of the electorate are still "dissatisfied" with the performance of the economy.

Even though the index has been rising steadily for the past nine months it is still standing well below the peak that was reached in June 1973, the month before the first fall gave an early signal of the approaching recession.

It now stands at 107.8 com-

WASHINGTON, May 28.

## Sri Lanka tea planters payment

SRI LANKA will pay Rs.82.5m. (15.2m.) in compensation to British companies whose tea, rubber and coconut plantations here were nationalised last October. Reuter reports from Colombo.

Agriculture and Lands Minister Hected Kobbegedawwa told the assembly that the compensation would be paid in rupees over five years beginning in March next year.

He said that the agreement signed on Wednesday between the planning ministry and sterling

plantation companies covered

123,000 acres owned by 53 companies.

The average price per acre of Rs.688 (Rs.2.50) included

factors buildings and equipment,

he said.

### Nuclear pact signed

The United States and the Soviet Union yesterday signed a treaty limiting the size of peaceful nuclear tests. The agreement was

sealed in both capitals at an

important new step in the field of arms control. Reuter reports.

The treaty sets the size of any single underground nuclear test to 150 kilotonnes.

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SATURDAY, MAY 29, 1976

## Time for some action

THE sterling exchange rate has suggest that unemployment has continued to sink this week and levelled out rather than begun to fall, but unemployment is normally high in the first stages of a business recovery.

The original case for making cuts in public expenditure was simply that a public sector deficit of the size envisaged in the Budget was inappropriate at a time when the economy was moving out of recession. The policy of wage restraint on which the Government has expended so much effort may well be approved by the TUC special congress next month, but the proof of its efficacy or failure will become available only in the months that follow. The size of the public sector deficit makes failure considerably more likely.

### Cutting deficit

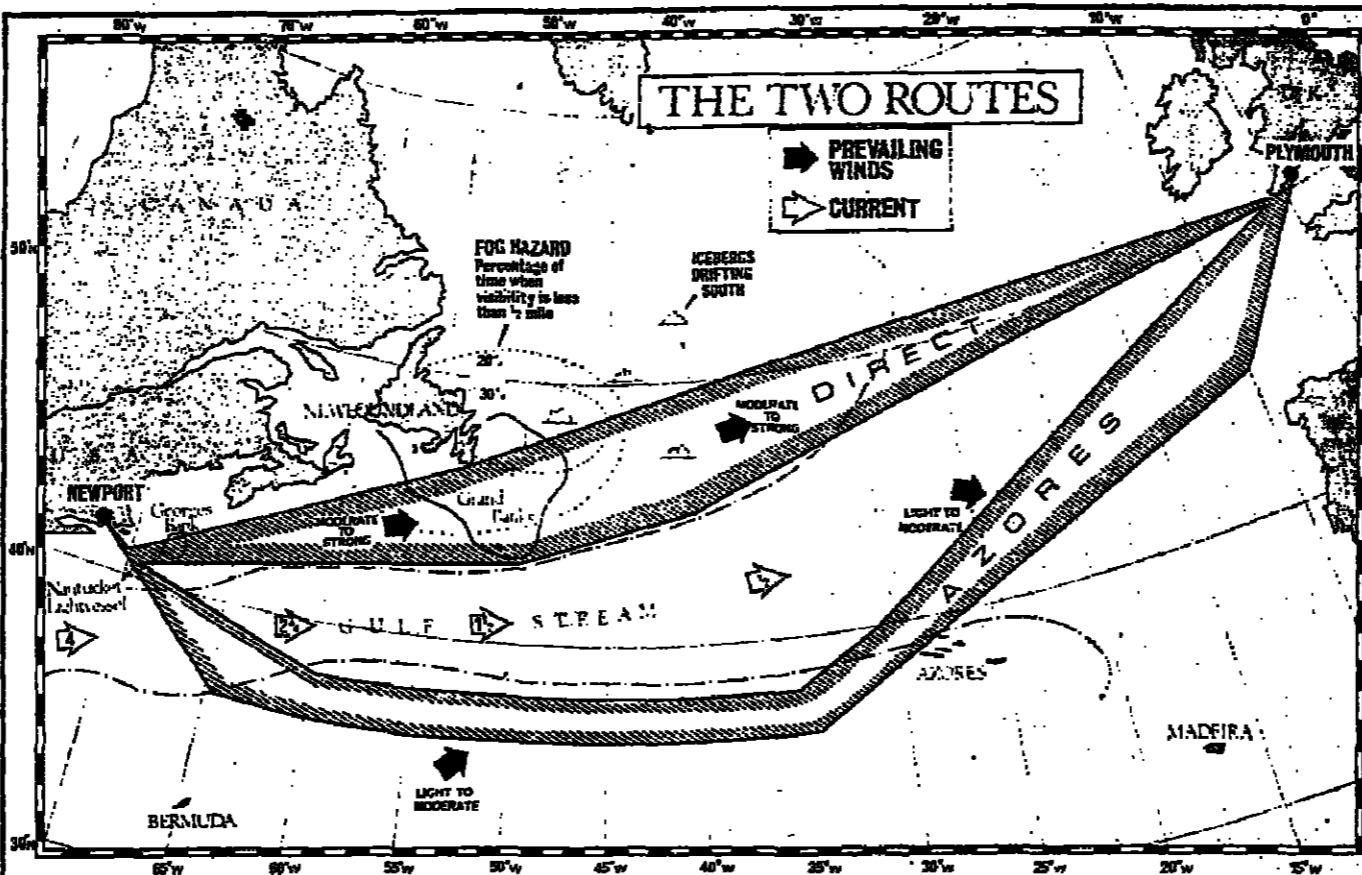
It is recognition of this fact, more than anything else, which has worn away foreign confidence in sterling to the point where almost anything is liable to push the rate down sharply.

At one time the Government seemed not to care very much about this drop: a cheaper pound would make U.K. exports more competitive, and export orders have indeed boomed. But export orders are of little value unless the productive capacity is there to meet them, and the U.K. economy has a way of running into supply bottlenecks much earlier in the trade cycle than expected. At the same time, the rapid fall in the exchange rate at a time when various raw material prices are in any case rising with the level of world business activity is making essential as well as less

started from a higher base than expected: it looks as if their expenditure this year may be 3-4 per cent. higher in real terms than agreed, and local authority representatives have undertaken this week to make further efforts to get their spending under control.

### Overspending

But the central Government itself is also overspending, to the extent that the whole of a large contingency fund is already committed with less than two months of the financial year gone. Drastic action will clearly have to be taken to bring spending back on to course, and the arguments are now stronger than ever for planning actual cuts and not merely the curtailment of growth. Since cutting is a longer and more difficult process than Ministers imagined, it is absurd to argue that it will be undertaken smoothly and in his Budget speech a maximum permissible rate of growth demand begins to rise. Private for the money supply, the rate of demand is rising now, could be stopped. The sooner stockbuilding: the latest figures of us.



F.T. in action with the author at the helm.

## A one-handed Atlantic gamble

IT IS just 16 years since the greatest yacht race ever sailed. Broadly speaking, the water temperature does not bear thinking about. For 800 miles, the Great Circle route will be the first two days. The the most nerveless fisherman, start itself will be a nightmare and to alert those watch built boats which are designed to beat into the prevailing runs through the iceberg zone, with 90 other competitors to officers too dozy to pick me up between Francis Chichester, for boats under 28 feet on the waterline. This promises to be the Northern Atlantic. The southern route is for light weather craft. There are 91 entries, by far the most competitive class. There are 20-30 per cent chance of thick fog, and since you are other for the best view. The has ever sailed them is only too tamarins, as everybody who on the Grand Banks of Newfoundland, a pretty good chance of running into fishing fleet. It is a route designed for nautical masochists.

It is almost four years now since I started planning my

Transatlantic Race, known in yachting circles as the OSTAR, and three since the Financial Times agreed to sponsor an experimental racing trimaran. Most of the helmsmen at the start next Saturday will have been planning their race for a minimum of two years; all of our private lives will have been dominated for many months now by our preparations for the Atlantic Ocean.

The OSTAR is one of those projects that take over your life. It sounds so simple—get hold of a boat, do a bit of practice, buy a few provisions, and join the jamboree. But it is nothing like that. The planning process is endless, the lists of essential things to do, vital equipment to buy, damage to repair, changes to make to the boat to make her suitable for singlehanded racing, grow exponentially by the week. You have no crew, so there is no one else to do it all. At the end of the day, most competitors reach the starting line exhausted by the effort of getting there, and leave behind a bank account covered in red ink.

The winner of the big class will reach Newport in under 20 days — less than half of Chichester's time. The largest boat in the race has been built at a cost of well over £1m, so that the 1973 winner, Alain Colas, can win it again for France, where they treat the OSTAR as a four yearly re-run of the Battle of Trafalgar.

### Four-masted schooner

Well over £1m. on one boat?

Well yes. The boat is 236 feet long, a four-masted schooner. That makes her the longest sailing vessel to be built anywhere in the world since before the first world war. It means she

would just about fit across for the hull pitch. Her name is Club Méditerranée, and the Club has put up about a third of the money.

The smallest entry is just 20 feet long—about the length of the largest living room. There are 19 trimarans and three catamarans. The helmsmen come from 17 countries. Four of them are girls, one of them English. The 1976 OSTAR is already being called the

northern route is for heavily built boats which are designed to beat into the prevailing strong westerly winds of the Northern Atlantic. The southern route is for light weather craft. There are 20-30 per cent chance of thick fog, and since you are other for the best view. The has ever sailed them is only too tamarins, as everybody who on the Grand Banks of Newfoundland, a pretty good chance of running into fishing fleet. It is a route designed for nautical masochists.

We on the southern route have miles to this distance, or about

one sixth. It became obvious during FT's phenomenon known as the

Next Saturday is the start of the Observer Singlehanded Transatlantic race. About 140 sailors will set off alone from Plymouth for Newport, Rhode Island. One of them—this newspaper's News Editor—David Palmer—reports.

first summer that the point of Azores High. The Azores High sailing on which she excels is the ridge of high pressure beating into a light wind. By whose shape and size determine contrast, the only point of sail Britain's summer weather. In that she is a dog is barking into the middle of the Azores High, getting into really heavy seas and there is no wind at all—just lots of sun, a flat blue sea, and therefore, chose herself. I had to maybe the old basking whale to go south, and most of the light-weight boats and virtually every one of the trimarans and catamarans will be on the southern route with me. The big and heavy boats, on the other hand, will stay north.

I hasten to add how enormously grateful I am to Derek Kelsall, FT's designer, for de-

signing me a boat that forces me to the Azores. The North ern route represents to me everything that is hell about sailing, and everything that is most dangerous about doing it singlehanded.

To begin with, the mean winds on the northern route are

strong and dead against you. Last time, in 1972, the first

The chances of being on collision course with her are very small indeed.

To reduce the chances of accident still further

FT carries an array of warning devices designed to make sure

that the man on watch sees me long before his ship gets anywhere near me.

To begin with, FT has a powerful radar reflector, attached at the top of my mast,

50 feet above sea level. Accord-

ing to the manufacturer, I

and trying not to forget anything.

At 1.00 p.m. next Saturday, the starting gun will go,

and half an hour later, if I have

managed to avoid all those spec-

tators and competitors, I shall

be in open water heading for

the Eddystone Light (the only

mark we must all pass on the course).

The worst part of the race strong enough to frighten off the most nerveless fisherman, will be the first two days. The the most nerveless fisherman, start itself will be a nightmare and to alert those watch built boats which are designed to beat into the iceberg zone, with 90 other competitors to officers too dozy to pick me up, and over the same 600 miles, avoid, and hundreds of species on their radar screens.

There is a 20-30 per cent chance for tamarins, as everybody who

on the Grand Banks of Newfoundland, a pretty good chance of running into fishing fleet. It is a route designed for nautical masochists.

We on the southern route have miles to this distance, or about

one sixth. It became obvious during FT's phenomenon known as the

weather is bad, several of us will be fighting seasickness.

After 12 weeks free from it, it has come back and hit me three times in the past 12 months, the last time two weeks ago.

But once, out of the Channel and into the Atlantic, and with our stomachs under control, we shall all start to settle into a regular routine. My own pattern is to try to sleep at least six hours every night, if possible without serious interruption. In doing so, I marginally increase the worst and most glaring danger faced by a singlehanded sailor, that of colliding with another ship.

### Array of warning devices

In mid-ocean, the chances of seeing another ship are pretty

regular. The small—an average of one ship

major risk carried by the southern route boats is that of a day would be quite normal.

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I just wish next week would hurry up and go away. After four years of planning, a winter of training, and a spring of practising, I was overwhelmed last week by several days of appalling nerves. Every imaginable horror from losing my mast on the starting line to being hit by the fluke of a whale suddenly well up inside my stomach as if it was real as typing this article. The next week is nerves, every day, without serious interruption. In doing so, I marginally increase the worst and most glaring danger faced by a singlehanded sailor, that of colliding with another ship.

The tactical point is that once you have made your decision, you cannot change it. The Gulf Stream, with its strong adverse current, flows between the two flocks, forming a silent and invisible barrier between them.

The choice of route is the most important decision, that all of us will have to take.

The "deferral" method means the balance in the

an export business, and each week he sold 20 pounds of potatoes at various rates of tax so that it

would be purely by chance that it represents the amount that such an unlikely circumstance were to arise. The second is the "liability" method whereby the amounts outstanding are calculated on the latest known tax rate. This seems better, as it would be satisfied and they all unsatisfactory but the two lived happily for many years. Then one day he had a bright idea. He stepped up his production to the rate 120 pounds of potatoes per week. He started the an export business, and each week he sold 20 pounds of potatoes at various rates of tax so that it

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Citizenship and immigration laws are likely to be changed. Colin Jones reports on the situation of Britain's coloured minority

# Being fair to our non-white settlers

ONE ONE to draw up a "balance sheet" of the state of race relations in Britain to-day one might begin by recording the tolerance with which the majority of people in this country have reacted to the profound change brought about in the society by the influx of substantial a minority of non-white settlers in the last 20 years.

Of course, there is prejudice and, of course, there is discrimination. But, compared with the experiences of minorities in history and in other parts of the world today, Britain does not much to be ashamed of, especially in recent years amid the strains of recession. The tolerance is all on one side. As a recent PEP study and in surveys have noted, most coloured people in Britain, in spite of the disadvantages they experience and in spite of the discrimination many have experienced, are not generally bitter resentful—in part because they still see themselves as immigrants and are able to make comparisons with their home country.

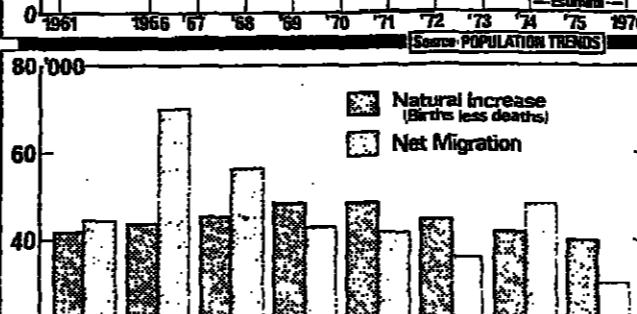
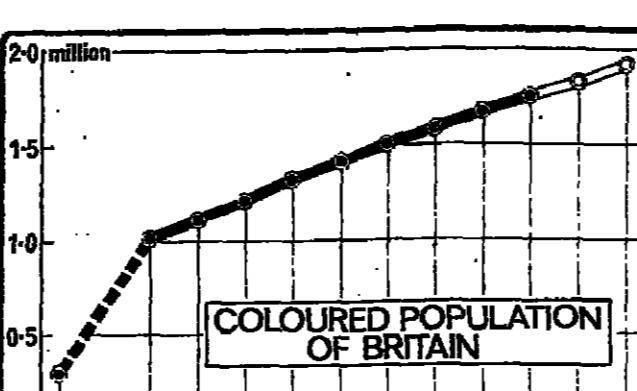
That having been said, however, various other factors need to be weighed before a balanced view is drawn up. Perhaps the most important lies in the changing nature and character of the coloured population itself. A year ago less than a Bill now before Parliament. But later had been born here providing legal redress against acts of discrimination will not, it is hoped, change attitudes. Nor can legislation be more than one part, albeit an essential part, of a framework for improving race relations. Of equal if not greater importance for policy are, first, the resources available to the government working in the last couple of years through the urban programme

an increasing minority have been failing to find jobs; those who have been born and schooled here may tend to be less tolerant about the injustices of the host society. As it is, the growing size of the coloured population is becoming a more significant electoral force with which all political parties are realising they must reckon.

In the last ten years their number—children included—has grown from 1m., or about 2 per cent. of the total population of Great Britain, to—as a calculated guess—about 1.9m., or approaching 3 per cent. Partly through choice and partly through necessity, they have tended to congregate in parts of London, the Midlands, and certain other cities. Not all who are qualified register to vote but at the last election about an eighth of all Westminster constituencies returned a majority smaller than the local resident coloured population.

## Attitudes

The growing size of the immigrant minority and the growing number who were born here form part of the background to the Government's decision to stiffen the anti-discrimination laws—and the overhaul of the enforcement machinery—which has been embodied in the Race Relations Act 1976. But the latter had been born here providing legal redress against acts of discrimination will not, it is hoped, change attitudes. Nor can legislation be more than one part, albeit an essential part, of a framework for improving race relations. Of equal if not greater importance for policy are, first,



passed in 1948, we persisted in the review of the citizenship of the Imperial tradition of citizen and immigration laws. In ship of the United Kingdom and future, the immigration laws Colonies and this tradition persists even to-day, despite four categories—aliens, Commonwealth citizens, citizens of the UK and Colonies, and citizens of the United Kingdom—and the door will be always open only for the fourth category. Commonwealth citizens who are not citizens of this country whose parents or grandparents were born here would be ineligible for British citizenship other

than by naturalisation.

Quite how these changes will affect Britain's existing commitment to "non-partial" holders of UK passports and to dependents of immigrants who have settled here remains to be seen. The remaining 40,000 or so UK passport holders in East Africa are expected to have arrived under the voucher scheme before the new laws take effect and UK passport holders in Singapore, Malaysia, and Hong Kong were deprived of the right to settle here by the 1971 Immigration Act.

Up to a point, of course, this is the common experience of first-generation immigrants the world over. But discrimination in jobs, housing and schooling and the lack of a positive policy

to alleviate disadvantage could easily lead to a cycle of deprivation for later generations. Already, there is talk about mugging offences by black teenagers in certain urban areas. Research shows that unemployment and poor housing and education are far more important than race as causes of this kind of crime.

These matters may perhaps be susceptible to the broader strategic anti-discrimination approach of the new successor body to the Race Relations Board and the Community Relations Commission. But, even if positive discrimination were to disappear altogether—which seems unlikely—one would still be left with problems of deprivation. Quite rightly, successive Governments have chosen

to alleviate disadvantage by some housing authorities, including all London boroughs.

As far as organisations like the Race Relations Board and PEP can tell, discrimination is not to discriminate in favour of immigrant communities but to be reduced to a bare trickle, less prevalent than, say, ten tackle their needs as part of the years' ago and it is appreciably wider phenomenon of urban life in private housing, both for deprivation generally. Resources

are however limited and are according to a recent PEP survey, a coloured worker still has time to come. And we do not yet understand fully either the causes, the nature, or the possible remedies for urban deprivation. Successive surveys have spoken out the disadvantages which many immigrants face. The level of jobs they obtain tend to be white collar jobs, and a one-in-three chance in the case of a vocation. So long as this remains the case, we can probably never make really confident that we can support employers positively and make them a multi-racial society.

## LABOUR NEWS

### Steel Unions agree on merger outline

BY IAN HARGREAVES, LABOUR STAFF

E CONTROVERSIAL merger between the biggest steel union, Iron and Steel Trades Confederation, and the non-TUC affiliated Steel Industry Management Association has moved a decisive step nearer with agreement by both sides on a draft line of terms for amalgamation.

Mr. Robert Muir, general secretary of SIMA, said last night after a meeting of the two delegations: "We reached agreement on a common set of terms for a sensible merger." The terms will now go to the joint executives of both unions, which will meet simultaneously next month, and if there are no unexpected problems, SIMA's 12,500 members will be balloted soon afterwards. C, which has 105,000 members, is not expected to hold a ballot.

Mr. Muir said that talks between the two sides, which began last autumn, had been amenable. "They were a section of the considerable improvement in relationships between the two unions in the two years," he said.

The two unions have certainly been each other longer as men, than as friends. ISTC always claimed that SIMA was created by BSC in the late 1960s as a tame management team designed to frustrate its ambitions for substantial expansion of its white-collar sector. In 1972 and 1973, ISTC staged several normal procedural

strikes by the BSC.

Production returned to normal yesterday at the British Steel Corporation's Llanwern works, following the rapid settlement of a strike by 12 foremen working on the giant number three furnace on Thursday.

The foremen's pay claim, which is aimed at restoring differentials over the blast furnace operators whose top rates were raised to about £200 a week after a long and bitter period of negotiation last year, will now be dealt with by the white-collar sector.

Although negotiations with the Indian Government are expected to hold a

### Concorde flights to Australia planned to begin next year

BY LORNE BARLING

BRITISH AIRWAYS Concorde to resume in June, with a post-take-off on Air India's Dulles Airport and Kennedy Airport at New York for flights through London in prospect. Whitehall sources were not optimistic about the outcome of the Australian Government to allow supersonic flights into the country.

However, British Airways officials said it was, in fact, to inaugurate the route and believes that despite a possibly reduced payload or another stop in addition to the planned Bahrain and Singapore landings, flights would prove profitable.

The Indian Government has been reluctant so far to allow the aircraft to pass over the country supersonically, because of the noise factor, and sonic overflight or a diversion would be crucially time-consuming.

Concorde flights from London to Melbourne would be increased from 14 hours 15 minutes to around 17 hours if either of these measures were necessary, compared to 23 hours 25 minutes by subsonic aircraft.

The decision was based on considerations including noise and sonic boom measurements taken during Concorde's test flights in Australia in August last year. In London, it was felt that the recent U.S. agreement to allow Concorde to fly into Washington

is of little relevance.

Air France is interested in extending its U.S. Concorde service to Mexico. M. Jacques Medecin, French Minister for Tourism, said in Mexico City.

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# COMPANY NEWS + COMMENT

## S. Leboff up £0.15m: further rise seen

**GROUP PROFIT**, before tax of S. Leboff (Fobel), increased from £1.22m. to £1.37m. in 1975 after £0.66m., against 10.54m. for the first half, and the directors expect to report record profits for 1976.

They report that the current year has started in a most encouraging manner.

The D.I.Y. division is showing a healthy increase in turnover, the electrical division is well ahead, and the electronics division is doing a very large volume of business.

Virtually all our markets are strong.

Distribution arrangements with associates in Germany, the U.S. and France are working well and there seems every reason why 1976 should see a very substantial profit contribution from this division, the directors say.

Net profit for 1975 was £870,417 (£284,004), after tax of £895,500 (£284,128), but subject to an extraordinary debit of £108,563.

A final dividend of 0.84375p made 1.475p net (£0.854p), as forecast, and capital increased by 9 rights issue.

The results were achieved despite considerable start-up costs of new subsidiaries both in the D.I.Y. field and more particularly, the electrical field.

The new factories have been manufacturing on a considerable scale by the end of 1975 and the heavy initial costs had already been covered by the end of the year.

Production is continuing to increase, and there is a full order book.

It was necessary to look very critically at the distribution company in Belgium in which the group has an investment and which has been continually disappointing. While it continues to trade, and there is a large unrealised loss in the modern freehold land and buildings account, the directors believe it would be prudent to write off the investment completely, and to devote efforts instead towards alternative methods of developing sales to the Common Market countries.

### • comment

At first glance Leboff's full-year profits are some way below interim expectations, but the group reckons that this is due to a special pre-tax provision of around £50,000 and start-up costs on new factories amounting to around £100,000. Demand for D.I.Y. products remained high throughout the year, and the group appears to be holding its share of an expanding market. On the electronics side, which staged a strong recovery in the second half of last year, the group is concentrating on increasing its market share and, with a hefty first-time contribution from the Hong Kong factory expected in 1976, Leboff is looking for a substantial increase in overall current year profits. At 37p, the shares which are yielding 6.3 per cent on a p/e of 8.2 and are backed up by a strong growth record, seem fairly valued.

## Ready Mixed well ahead

In his address to shareholders at the annual meeting of Ready Mixed Concrete, the chairman, Mr. John Camden, said that taken overall, financial results for the first four months showed a substantial improvement on the corresponding period of last year.

Recalling his earlier indication that a further small fall in U.K. output was expected during 1976, Mr. Camden reported that this had been confirmed by experience to date.

However, volume upturn that occurred in West Germany in the final quarter of 1975 had continued and had spread to the group's other European operations, he added.

## Sir J. Causton sees reduced deficit

Lithographic and letterpress printers and stationers, Sir Joseph Causton and Sons, reports a reduced net loss of £21,000, against £36,000, after heavier interest charges of £193,000, compared with £136,000.

Turnover 1976 £1.26m. 1975 £1.26m. Less material content 1.268 1.272 Trading loss 2548 1.251 Interest 19 1.25 Pre-tax loss 272 1.25 From deferred tax 57 1.25 Extraordinary debts 262 1.25 Total loss 291 1.25

The level of activity is disappointing and it is difficult to

### INDEX TO COMPANY HIGHLIGHTS

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Capita Profile	15	1	Leslie & Godwin	14	6
Causton (Sir Joseph)	14	1	Liner Concrete	14	6
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**£0.3m. loss by John Crowther**

### ON THE second half of 1975, John Crowther Group incurred a loss of £191,070, bringing the total deficit for the year up to £230,263, compared with a profit of £248,125 for the previous year.

After deferred tax relief the net loss emerges at £74,383 (£147,988 profit). The dividend is raised by the maximum permitted—from 0.85p to 0.8375p net.

In the current year to date the company has largely eliminated trading losses due to improved productivity and more efficient use of resources, and is hoping to return to profitability in the latter half.

Margins continue to be under considerable pressure due to imports and excess capacity in the woollen textile industry, in spite of closures but the company's new products in synthetics and technical blends are being well received, the directors state.

The directors point out that tax relief of £1,340,000 from the investment in stock values since December 31, 1972, are still available to offset future profits subject to any claw-back of the stock relief.

### • comment

John Crowther's losses intensified in the second half, although this was not due to the production difficulties (now said to be overcome) that affected the first half. The group puts this and the small fall in turnover down to an unquantified deferment of order calls towards the end of the year because of the mild winter. These were said, however, to be firm orders that have been taken up in the current six months. With the order book still only at the same level as this time last year, it seems unlikely that anything beyond a break-even point can be reached before the summer, although a return to profits is hoped for in the second half. The directors' confidence is expressed in the higher dividend which gives a yield on the shares at 27p of 3 per cent, while the market capitalisation is £92,000.

**Trading conditions were exceptionally difficult. The company's sector of the office equipment industry suffered worldwide.**

During the period financial gearing was prominent with a considerable reduction in stocks and borrowings and other overheads have been cut back. The process will continue until the end of the current financial year and our new substantially reduced financial facilities will give us greater strength to deal with the upturn expected during the year 1976-77," the chairman declares.

However, the outstanding order position, now very much improved and a higher than at any time during the past two years.

Assuming current sales trends

continue and production gradually improves to the planned levels by July, he feels sure that a year of major recovery can be looked for during 1976-77.

An unchanged interim dividend of 0.8283p net per 10p share is declared. Last year's total was 1.9115p from profits of £181,000.

**Six Months Year**

1976 1975 1974-75

£'000 £'000 £'000

Turnover 311,327 317,761 305,717

Less 421 421 158

Tax 134 121 121

Net loss 421 146 141

Prof. Div. 45 29 29

Profit 1.9115p

After waivers of 0.300p.

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the year 1976-77," the chairman

declares.

A major product improvement

programme has been carried out

and the new and revised ranges

have been successfully launched.

### • comment

Arceson suffered from the classic problem of overcapacity in a declining market after last year's 1.3m. factory expansion. The trading background was dominated by retailers' destocking with a 45 per cent drop in deliveries to off-the-shelf trade in the first three quarters.

Arceson's 51.1m. first-half turnover compares with £20m. annual factors capacity and a break-even point of perhaps 3.1m. The near 3m. turnaround into losses on static turnover also suggests stock disposals at discounts. But the benefit now is a 1.1m. reduction in inventories to £2.3m. and annual factors capacity.

This is coupled with greater expertise and effort in this direction is bringing increasing rewards, the chairman adds.

As known, group pre-tax profit for 1975 was £84,191 (£195,809) and the dividend is 0.867p (0.50388p) net per 10p share.

An analysis of turnover

which are due on Thursday, results, due on Tuesday, should benefits the group already

reflect a sizeable proportion of receives from overseas activities.

McCorquodale suffered a 10 per cent pre-tax fall in the second half of 1975-76, still with the printing industry still down, while the big purchase subsidiary is making a good recovery.

After showing marked resilience in face of the problems of the world chemical industry last year, the directors expect construction, Hickson and Veale's interims due on Thursday are expected to show almost doubled pre-tax profits to around £4m. ahead of probably even better second half. This could take the historic yield to 12.1 per cent, up 0.7 times—against the 1.2 per cent yield in 1975.

Other results due next week

include preliminaries on Thursday from Young & Company's British Steel Shipbuilding Holdings, and interims on Monday from Martin the Newsagent.

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The Financial Times Saturday May 29 1976

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Following the previous week's assertion from the Artagen Textiles Board that the company's shares are worth at least each, Sun Life responded last Monday by raising its cash bid by 11p to 84p per share; this values the whole equity at £1. However, the new terms have been rejected by Artagen on the grounds that they take no account of the values estimated by per share by Artagen, of the £40m of cheap long-term debt which Sun Life is committed to lend Artagen. Sun Life, on the other hand, considers its terms fully reflect the value of the funding agreement and Artagen's asset revaluation of 88p per share. Kuwaiti interests are thought to have recently increased their stake in Artagen to some 7 per cent, and there has been a speculation in the stock market on the possibility of a further offer from this quarter or a further upward revision in Sun Life terms.

Waite and Son, the property investment and lampshades and glass concern, has received a 90p a share cash offer, worth a £1.22m, from Fairlane, a private company controlled by Waite chairman, his associates and family interests. The offer is recommended by the independent directors of Waite. New Providence Securities, which has a 47 per cent. shareholding in Waite, has yet to declare its intentions. Talks regarding a possible offer of 80p per Waite share from Meru Group were initiated recently due to opposition from New Providence.

J. Coral, the bookmakers and leisure group, has purchased A Property Trust's 38.7 per cent. stake in Brighton and Hove

Football Club and Ladbrokes, the initial contenders for this shareholding, out in the cold with their respective offers of 47p and 46p.

Coral is extending the 56p cash offer to other shareholders

Brighton and is also offering a share-exchange alternative of

Coral shares for every eleven of Brighton, currently equivalent to about 52p per Brighton share.

Barrow Milling, through the purchase of a further 13.3 per

cent of the equity of Bolands at 46p per share, has succeeded in taking control of the latter, despite strong opposition from the funds Board. Together with acceptances to date and previous purchases, BM now has over 50 per cent. of the Bolands equity; this has now increased its cash alternative to 46p per Bolands.

Warren Tea has raised its stake in Peacock Sashin Estates to

per cent. with the acquisition of further shares at 44p each in accordance with the City Take-over Code, a cash offer at 44p is

now made for the rest of the Peacock equity.

The Monopolies Commission report on Amalgamated Indus-

try's planned take-over of Herbert Morris strongly opposes any

offer between the two parties as being against the public interest. The Commission also states that AI, which had built up

a near-40 per cent. shareholding in Morris, should be made to sell sufficient shares to reduce its stake to below 10 per cent. Sandhurst Marketing, which announced four months ago that talks have been held, has now declared that the talks have proved abortive.

Company	Value of bid for	Value of bid per share k	Market price k	Value before bid (£m's) k	Final Bidder date
Anthony Cartwright	53	33 <sup>1</sup>	23 <sup>1</sup>	5.0	Ebro (Hedge) —
Armen Prose	54 <sup>1</sup> d	84 <sup>1</sup>	31.4 <sup>1</sup>	Sun Life	
Ashbourne Inv. Co.	21 <sup>1</sup>	41 <sup>1</sup>	41 <sup>1</sup>	Incentive Inv. —	
Assam Cons.	22 <sup>1</sup>	18 <sup>1</sup>	18 <sup>1</sup>	Hampton Tr. —	
Bald (Hugh)	37d	36 <sup>1</sup>	17 <sup>1</sup>	Mabre & Grin, Barrow Milling	
Bolands	46b	40	36 <sup>1</sup>	Barrow Milling	
Brighton & Hove Stadium	56bd	55	53	0.5d J. Coral	
British-American Tobacco	—	—	373	1,063 Agreed merger	
Do. Delft	—	—	1112	763	
Brookside Holdings	25 <sup>1</sup>	27	16	0.2 <sup>1</sup> A. F. Bullock	
Burton (M.) Prop.	73 <sup>1</sup> d	74	48 <sup>1</sup>	Burton Group	
Cathay Secs.	30 <sup>1</sup> d	31	18	5.0 <sup>1</sup> Bowater Corp.	
Clark Bros.	73b	70	35	Dow Jones —	
Commodore Estates	2 <sup>1</sup> d	12 <sup>1</sup>	12 <sup>1</sup>	0.05 <sup>1</sup> Private Consol.	
Inv. Trust	55 <sup>1</sup> d	52	53	1.3 <sup>1</sup> Latham	
E. Sussex Engng.	30 <sup>1</sup> d	20	12 <sup>1</sup>	1.9 <sup>1</sup> Aurora Holdings	
First Flushing Trst	35 <sup>1</sup> d	33	19	0.5 <sup>1</sup> C. Hutchinson	
Hardman (Thos.)	23 <sup>1</sup> d	204	11	0.2 <sup>1</sup> Scope Group	
Indonesia Cons.	14 <sup>1</sup> d	13	9	Bowater Corp.	
Jeavons (E. E.)	53	58	61	Pentos	
Jetonga	80 <sup>1</sup> d	60	50	Camelia Inv.	
Marshall (Thos.)	—	—	—	—	
Mavros	91	66	73	4.4 Wm. Baird	
McGillivray's Univ.	116 <sup>1</sup> d	130	132	1.8 <sup>1</sup> W. of Eng. Trst.	
Maybrook Props.	47 <sup>1</sup> d	43	32	1.9 <sup>1</sup> Croudace Holdings	
New Bridge Holdings	36	25	35	0.06 Hartcourt Irish Invests.	
New Ireland Assoc.	110 <sup>1</sup> d	121	98	3.8 <sup>1</sup> PMPA Inv.	
Peacock Sashin	44 <sup>1</sup> d	44 <sup>1</sup>	47	4.6 <sup>1</sup> Warren Tea Government of	
Perak River Steel	430 <sup>1</sup> d	432	383	8.1 <sup>1</sup> Malaysia	
Reed (Wm.)	33 <sup>1</sup> d	34	29	0.5 <sup>1</sup> Fergie, Secs.	
Second Scottish Inv. Trust	22 <sup>1</sup> d	24	15	0.2 <sup>1</sup> Patchey Inv.	
South West Africa	75	73	85	4.2 <sup>1</sup> Root Inv. Trst.	
Stigwood	175b	173	85	3.7 <sup>1</sup> Klin Products	
Thermal Syndicate	50 <sup>1</sup> d	47 <sup>1</sup>	41 <sup>1</sup>	3.8 <sup>1</sup> Polgram	
Wade (C.)'s Ord.	15 <sup>1</sup> d	16 <sup>1</sup>	16 <sup>1</sup>	4.7 <sup>1</sup> Compania Central	
Wade (C.)'s' Ord.	50 <sup>1</sup> d	57	55	0.1 <sup>1</sup> Derby & Co.	
Walls & Sons	10 <sup>1</sup> d	84	91	0.17 <sup>1</sup> Falzone Gidney Ind. Invests.	
Warwick Eng.	28	22	21	1.6	

\* All cash offer. <sup>b</sup> Cash alternative. <sup>c</sup> Partial bid. <sup>d</sup> For capital not already held. <sup>e</sup> Combined market capitalisation. <sup>f</sup> Date on which scheme is expected to become operative. <sup>g</sup> Based on 26-31-76. <sup>h</sup> At suspension. <sup>i</sup> Bid.

Barrow Milling, through the purchase of a further 13.3 per cent. of the equity of Bolands at 46p per share, has succeeded in taking control of the latter, despite strong opposition from the funds Board. Together with acceptances to date and previous purchases, BM now has over 50 per cent. of the Bolands equity; this has now increased its cash alternative to 46p per Bolands.

Warren Tea has raised its stake in Peacock Sashin Estates to

per cent. with the acquisition of further shares at 44p each in accordance with the City Take-over Code, a cash offer at 44p is

now made for the rest of the Peacock equity.

The Monopolies Commission report on Amalgamated Indus-

try's planned take-over of Herbert Morris strongly opposes any

offer between the two parties as being against the public interest. The Commission also states that AI, which had built up

a reduction of 8.24 per cent.

It was announced earlier this month that the Government of Malaysia controlled 52.3 per cent. of the total voting rights of the company and intended to make it offers to the remaining shareholders on the basis of a pence for each Ordinary and a pence for each 3.5 per cent. preference share.

The official document in connection with the offer shows that the Malaysian Government now has 9 per cent. of the voting rights.

The UK directors supported by G. Warburg and Co. unanimously recommend acceptance of offers. First closing date is June 18.

An unchanged interim dividend of 5.6p net per £1 share has already been paid—the total for the previous year was 17.5p paid from attributable profits of £5.70.

The directors point out that revenue and expenditure in Malaysia in both periods have been converted at the rate ruling

May 14, 1976.

**Reckitt set for record**

MR. A. M. MASON, chairman of Reckitt & Colman, told the AGM that information for the opening months of the current year demonstrate that the main operating units were in good shape and taking full advantage of better trading conditions in the market place.

He therefore had "every confidence" that the company, with its large overseas interests, would achieve, in 1976, another record year—not only in sales and operating profits but also in earnings per share.

The results for 1975 include a capital profit of £1.71m. on the sale of four ships and investment income included £791,000 capital profit made on the sale of long-standing non-strategic holdings.

The chairman says that J. W. Cannon (UK) new holding division which came into the group last September illustrated the effect of steady earnings during a period when shipping and transport were under such severe pressure.

Referring to the capital expenditure programme, the chairman says that this is at an early stage, and the main commitments comprise: three standard cargo ships; two large container ships; one general container ship; a general submersible support vessel; and the enlargement of the roll-on/roll-off ship "Hero."

The chairman says that the investment programme is one which can be comfortably sustained and it does mean that "each profit centre in the group, whatever is

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# WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

## Rally follows OPEC decision

BY OUR WALL STREET CORRESPONDENT

**NEWS** that Arab oil producers Index rose 2.36 to 300.30 while the Transport Index gained 1.61 would maintain world oil prices at current levels helped trigger a 122.90. Utilities edged 0.35 a brief rally on the New York Stock Exchange today.

The market actually had been moving higher before the oil price announcement due in part to a decline in U.S. statistics for Dow Chemical added \$1.10

\$85.75, reversing a recent down-

trend and Du Pont followed suit

Rising \$1.10 to \$151.10, IBM rose \$3;

Digital Equipment gained

\$3.50 to \$162.30. International Paper was up \$1.10 at \$73.10. Hewlett-Packard put on \$2.10 to \$104.10, and Republic was up \$1.10 at \$75.

U.S. Steel picked up \$1.10 to \$78.

Motors were fractionally mixed.

Prices on the American Stock Exchange advanced in moderate trading. The Amex index rose 0.63 to 103.16, while advances topped declines, 367 to 233. Turnover amounted to 2.10m. shares against 1.73m. on Thursday.

Instead, OPEC said it had decided to leave prices unchanged because member nations could not reach a compromise on a price increase.

The Dow Jones Industrial Index rose 8.66 to 973.23, while the NYSE Common Stock Index gained 0.42 to 553.11. Advances led declines, 937 to 460. Turnover amounted to 16.86m. shares. The Stocks

weekly money supply reported late on Thursday. But the oil development was a relief for the market as most experts had been predicting a modest price rise.

Instead, OPEC said it had decided to leave prices unchanged because member nations could not reach a compromise on a price increase.

AMSTERDAM—Shares firmed slightly in quiet conditions, with Dutch Internationals gaining ground. Gains elsewhere were led by EVA, HAL, Heineken and the major banks. Isolated declines against the trend in included Gieseke, KLM and Fokker. Total loans edged higher.

ZURICH—Shares closed moderately lower in active selective trading. Financials rose against the general trend with Bally up Fr.20 and Oerlikon-Buehrle Registered and Juvena Bearer sharply higher on buying support.

FRANKFURT—Speculative and institutional buying lifted shares, which earlier in the week had touched 1976 lows. Banks headed the market gains. Daimler was up DM4.60 and Mannesmann rose by DM6.30. Otherwise, gains were confined to DMTI-DMS.

COPENHAGEN—The market

was firmer on the stock exchange reflecting renewed interest by London and local account.

The initial hectic trade subsided and some profit-taking set in during late morning. However, most stocks ended higher.

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AUSTRALIA—Prices fell in moderately active selling. Queensland Mines closed 7 cents lower at \$A2.18 after announcing a one-for-three rights issue. Its 50 per cent share-holder, Kathleen Investments held its cents to \$A1.36, while Pancontinental lost 50 cents to \$A0.30. BHP was unchanged at \$A7.62.

VIENNA—Steady in light volume.

TOKYO—Shares prices on the Tokyo Stock Exchange registered gains across the board with the averages at all higher.

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The Financial Times Saturday May 29 1976

UK CONVERTIBLE STOCKS 28/5/76												
Name and description		Size (£m.)	Current price	Term(s)	Con- version dates	Premium†		Income		Cheap(+) Dear(-)†		
						Flat yield	Red. yield	Current	Range‡	Equi.‡	Conv.‡	Dif.‡
Alcan Aluminum 9pc Cv. 89/94		12.00	65.00	100.0	78-80	14.6	15.3					
Associated Paper 9pc Cv. 85-90		1.40	79.00	200.0	76-85	12.6	13.4	14.5	0 to 16	49.3	-0.5	-15.0
Bank of Ireland 10pc Cv. 91-96		10.25	124.00	35.7	77-90	8.2	7.5	17.7	10 to 27	52.3	7.8	-9.8
BPF 7pc Cv. 89-94		4.89	99.00	234.0	76-80	7.9	8.0	8.6	-2 to 12	22.1	1.5	-7.2
English Property 6pc Cv. 88-93		8.84	90.00	234.0	76-80	7.3	7.4	-15.5	-15 to 19	27.0	17.5	+6.5
English Property 12pc Cv. 00-05		15.31	94.00	150.0	76-84	12.9	12.9	37.7	19 to 77	26.4	54.3	+3.5
Grand Metropolitan 10pc Cv. 91-96		123.98	86.50	120.2	73-78	11.8	12.0	2.1	5 to 13	11.6	13.3	+2.0
Hanson Trust 6pc Cv. 88-93		4.51	92.00	57.1	76-86	7.1	7.4	10.7	-16 to 20	31.4	33.7	+2.7
Hewden-Stuart 7pc Cv. 1983		0.72	140.00	230.0	75-95	5.1	4.1	13.6	14 to 16	57.8	45.9	-8.9
Lyon's, J. 7pc Cv. 1981		3.60	74.00	227	75-81	10.0	14.8	20.5	146 to 206	12.0	25.8	+5.8
Slough Estates 10pc Cv. 87-90		5.50	134.00	125.0	78-87	7.4	5.7	27.6	21 to 35	24.2	52.3	+0.8
Tozer, Kemistry 8pc Cv. 1981		7.33	97.00	153.8	74-79	8.3	8.5	-1 to 29	18.3	19.1	6.3	+1.2
Wilkinson Match 10pc Cv. 83-88		11.10	84.00	40.0	78-83	11.8	11.9	38.2	36 to 50	23.5	42.5	+3.2
MINES												
Australia (64)												
New Zealand (15)												
South Africa (10)												
United Kingdom (120)												
Worldwide (10)												
Mines (10)												
Metals (10)												
Non-Metals (10)												
Petroleum (10)												
Other (10)												
Total Mines (10)												
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## STOCK EXCHANGE REPORT

# Markets remain nervous as sterling weakens afresh Share index eases 0.8 to 380.4 for 18-day fall of 40.4

**Account Dealing Dates**  
Option  
First Declara- Last Account  
Deals tions Dealings Day  
May 17 May 27 May 28 Jun. 9  
Jun. 1 Jun. 10 Jun. 11 Jun. 22  
Jun. 14 Jun. 24 Jun. 25 July 6  
\*\* New time dealings may take place  
from 9.30 a.m. two business days earlier.

Further weakness in the pound against the dollar was reflected in stock markets yesterday.

After a slightly harder opening mainly reflecting bear coverings after the recent sharp falls in British Funds moved erratically on divided fears and hopes ahead of the Minimum Lending Rate declaration; quotations steadied after the no-change decision and final prices were 1% to 1% firmer on balance. News of the 1 per cent rise in U.S. Prime Rates appeared to have been discounted. Mediums and longs, however, ended without alteration. The Government Securities index hardened 0.03 to 61.32 but has sustained a loss of 2.31 over the last seven trading days.

Leading equities closed well above the world market in bearish trading with the FT 30-share index ending up 0.8 points at 380.4 after having been down 5.3 at 1 p.m. At yesterday's close, however, the index is at its lowest for the year and showed a fall of 40.4 or 8.6 per cent, over the last 18 trading days since it reached its 1976 peak of 420.

Second line issues came under a little firmer pressure than in late and barely figured in afternoon's steady tendency. The widespread nature of the setback was reflected in the 4-1 majority of falls over rises in FT quoted Industrials. The FT Actuaries All-Share index lost 1.1 per cent.

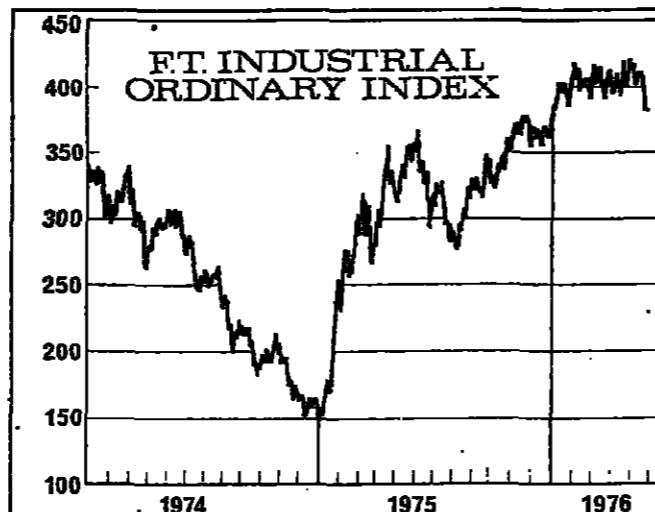
### Banks shade easier

The big four Banks closed with minor losses after a thin trade. Midland closed 3 lower at 255p, after extremes of 270p and 262p, while National Westminster were similarly off at 225p, after 229p. The others were 2p higher, while Merchant Banks continued to lose ground. Slater Walker recovered 1p, on the other hand, secured a penny of the previous day's fall of 4. In dull Hire Purchases, F.C. Finance gave up 5 to 219p and Carrills lost 3 at 17p. Breweries were held harder in thin trading, with the first on the first-half figures helped Bass Charlton pick up 2 at 84p. W. W. Hall featured Buildings rising 17 to 34n on the agreed bid from GEC. Wimpey (pennies) 215p, and Imperial Paint 215p, both up 5 from the previous day's rise of 3p, which followed the results, while Western Banks recovered 4 to 10p on the reduced earnings.

ICI took a turn for the better, the old closing 3 up at 338p and the new mid-half share dividing 2 harder at 33p premium. Elsewhere in Chemicals, Alida Packaging recovered 4 to 73p.

### Stores steadier

Stores became a quiet market and closed just a shade easier on overnight levels. "Gussies" 1A easing to 11p, picked up following the annual meeting to 11p, responded to the prospect of a



afternoon's steady tendency. The widespread nature of the setback was reflected in the 4-1 majority of falls over rises in FT quoted Industrials. The FT Actuaries All-Share index lost 1.1 per cent.

penny slice. Among secondary receded 9 to 119p and Ward and Goldstones 7 to 80p.

With the nationalisation passage seemingly cleared now following the Government's one-vote victory, shipbuilding shares were generally easier yesterday. Merchant Banks, however, were actually a penny steeper at 210p, after a 1p gain at 209p, while Sunningdale recovered 4p, then gave back to 48p before closing unchanged on the day at 47p, but leaving a fall of 9 on the week. Hawthorn Leslie touched 48p before finishing at 47p for a two-day fall of 18. Vanion were noteworthy for a loss of 6 at 85p. Martin the Navigator eased 2 to 140p in front of Monday's interlocking proposal to merge with the smaller, 117p. Supermarkets and Wheat-sheaf Distribution 4 easier at 130p on further consideration of the preliminary results.

Hotels and Caterers gave ground. Norfolk Capital losing a penny at 10p and Central Hotels 10p, both 1p up at 105p. Amalgamated MEPCO to rally initially to 65p, the shares subsequently

came back to 62p by the afternoon, to end at a net 2 better at 64p. Land Securities finished similarly harder at 133p.

Elsewhere, Keith and Henderson recovered 2 more to 85p on takeover speculation, while International Properties 85p, recouped 3 of the recent fall which followed fading bid hopes.

Overseas Traders closed moderately easier in places. Incheape

Wires 4 up at 118p.

Trusts and Financials continued their halting advance. Ainsworths 10p, up 1p to 102p, was the half-year loss, declined 2 to 45p. Glitsup recovered 51 to 114p. Baxter Fell 6 at 85p, and Robert McBride 9 to 163p, while Winsor and Newton were quoted at 100 per cent. scrip issued at 77p, down 2.

Shipments passed a quiet session and closed easier for choice.

Motors and Distributors had an easier day. Associated Engineering losing 2 more to 84p on

further consideration of the chairman's interim report. Lex Service also

shed 2 to 30p, while British Car Auction 38p, and Dowty, 149p,

gave up 3 pence. Lucas touched 104p before rallying well to close unchanged on the day at 200p.

DRG (edged) Paper Printings

were off 1 at 7 at a 167p "low".

Boots remained dull in Tobaccoes, 80p and Jefferson Smurfit receding 3 to 138p, while Publishers had Morgan Grampian losing 4 however, moved between narrow extremes of 76p and 78p before closing unaltered at 75p.

Southern Industrialists were

inclined firmer. Primrose closing

a 7 higher at 142p and OR Bazaar

much steadier showing yesterday "A" finishing 30 to the good at 102p.

Elsewhere, Tara Exploration

Transport managed to close 3 in dull Plantations. Peacock advanced a half-point to 213p on

better at 443p, after 440p, and Sasibi were lowered 3 to 44p to news of the Navan mine go-ahead.

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

### EQUITY GROUPS

#### GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Friday, May 28, 1976																
	Index No.	Change %	Open	Close	High	Low	Per cent change	Yield %	Div. P.p.	P.E.R.	Index No.	Index No.	Index No.	Index No.	High	Low	Index
1 CAPITAL GOODS (179)	143.30	-1.5	15.85	16.17	9.32	9.43	-1.4%	145.85	149.49	151.83	151.92	123.14	160.06	145.30	205.37	50.71	
2 Building Materials (30)	128.95	-1.1	13.72	13.78	11.05	11.04	-1.0%	130.82	134.46	136.55	136.03	106.31	151.8	132.93	212.72	52.72	
3 Contracting, Construction (23)	197.26	-1.8	19.15	19.54	8.09	8.09	-2.0%	200.85	206.43	210.81	212.10	228.80	260.20	197.26	309.33	71.48	
4 Electricals (16)	259.65	-1.4	15.85	15.77	9.32	9.05	-3.6%	263.27	269.71	271.95	272.62	213.49	287.30	250.80	350.04	86.71	
5 Engineering (Heavy) (13)	171.58	-1.7	21.98	6.97	7.10	7.10	-17.8%	174.88	179.68	183.97	185.76	151.11	193.18	163.93	204.57	59.43	
6 Engineering (General) (63)	153.14	-1.7	16.96	6.99	9.32	9.31	-15.4%	155.48	158.04	160.42	161.40	149.29	152.48	168.59	154.14	51.14	
7 Machine and Other Tools (9)	54.43	-1.9	15.80	7.35	12.85	12.81	-5.0%	55.50	57.49	58.25	58.21	48.14	50.62	51.19	156.70	19.91	
8 Miscellaneous (25)	129.76	-2.1	14.75	6.92	10.56	10.25	-10.0%	132.49	135.79	136.93	138.18	115.98	141.94	121.35	177.41	49.65	
9 CONSUMER GOODS (DURABLE) (53)	122.96	-2.6	16.78	5.88	8.80	8.88	-12.6%	126.16	130.12	132.05	132.30	84.91	141.46	121.87	227.78	58.38	
10 Lit. Electronics, Radio TV (15)	134.91	-2.9	14.71	4.03	9.58	9.97	-13.8%	138.95	142.69	145.04	145.10	94.60	160.35	134.91	257.41	42.85	
11 Household Goods (13)	171.98	-2.1	18.01	6.71	8.44	8.42	-17.5%	175.64	179.56	182.53	182.88	140.08	187.22	163.88	265.11	51.92	
12 Motors and Distributors (25)	75.17	-1.4	21.48	6.94	7.78	7.74	-7.7%	77.00	80.21	81.15	81.47	46.79	85.16	70.70	170.59	19.91	
13 CONSUMER GOODS (NON-DURABLE) (168)	145.35	-1.5	14.50	6.24	10.46	10.37	-14.7%	151.11	152.97	152.82	152.73	162.24	145.35	226.08	61.41		
14 Breweries (15)	154.09	-0.1	14.61	7.11	10.27	10.27	-15.4%	154.23	158.34	159.32	159.70	152.04	179.43	150.32	261.87	69.47	
15 Wines and Spirits (7)	176.41	-1.0	10.78	5.74	14.19	14.19	-17.0%	178.18	181.62	182.69	184.32	164.71	190.67	175.82	257.44	78.71	
16 Entertainment, Catering (14)	167.15	-1.9	14.59	7.88	10.55	10.47	-16.7%	170.54	176.20	176.85	180.35	145.87	211.23	167.13	329.99	54.87	
17 Food Manufacturing (22)	164.39	-1.5	15.39	5.28	9.92	9.86	-16.6%	166.58	170.88	172.66	173.00	147.93	178.44	165.82	211.14	59.78	
18 Food Retailing (16)	154.99	-1.9	13.38	6.35	11.77	11.77	-17.3%	157.64	161.19	162.99	164.16	143.85	160.04	154.99	230.30	34.23	
19 Newspapers, Publishing (16)	163.78	-1.5	12.77	6.32	12.05	12.05	-16.6%	166.23	168.98	171.28	168.90	144.81	184.44	168.29	229.29	34.23	
20 Packaging and Paper (12)	99.63	-3.3	17.94	7.87	8.54	8.54	-10.2%	103.08	105.64	106.58	106.90	99.73	112.50	99.63	155.59	43.46	
21 Stores (34)	117.22	-0.9	13.24	5.88	6.71	6.74	-12.4%	118.32	121.37	123.44	122.44	125.80	134.00	117.22	227		



# The Trader

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*Tokyo, Japan*

**For ocean development,  
systems engineering,  
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**MINES—Continued**

FAR WEST RAND							
1976	High	Low	Stock	Price	% ch.	Div	Cash
10	350	315	Ridgeview 25	490	-10	.0000c	1.2
14	725	680	Rockfield RL	110	-14	.0100c	1.4
28	95	85	Rockwood 10.20	142	-3		
30	330	300	Roundtree RL	415	-15	.0110c	1.4
45	640	580	East Ridge RL	790	-10	.0150c	1.7
50	160	150	Elkland Gold 20	195	-10		
50	112	100	Fidelity RL	135		.0350c	1.0
54	111	104	Hartreegold RL	115	-4	.0115c	1.4
55	420	380	Kings Gold RL	400	-5%	.0050c	1.0
56	400	360	Liberator RL	450	-20	.0010c	1.6
58	335	300	Southwest Gold	550	-10	.0050c	1.3
58	110	100	Sullivan Mining	195		.0050c	1.0
201	110	100	Telecom 50	155		.0050c	1.5
201	100	90	Telecom 50	205	-10	.0070c	1.9
205	195	180	Venture Gold RL	225	-1%	.0050c	1.2
205	190	170	W. Drive RL	210		.0050c	1.0
205	165	150	Weirton Areas RL	210	-1%	.0050c	1.0
205	150	140	Western Deep RL	210		.0050c	1.0
205	150	140	Western Deep RL	210		.0050c	1.0

O.F.S.

10	13	Free State Rd 30	118	-	10	11
11	12	FS Grand St	114	-	10	11
10	57	FS Nwspk Rd	170	-5	10	11
10	59	Harmont St	390	-10	0	0
10	70	Luzerne St	125	-5	0	0
10	58	Pre-Brand St	113	-	0	1
10	700	Pre-Stevs St	800	-10	2	2
10	22	St Helena St	125	-	2	2
10	74	Umtal	120	-5	1	1
10	220	Wyllms St	265	-10	1	1
10	25	W Holdings St	117	-	1	1
<b>FINANCE</b>						
10	315	Ang Am Gnd St	360	-10	10	10
10	235	Ang Amer Rd	290	-2	10	10
10	204	Ang Am Gold Rd	522	-1	10	10
10	850	Ang Vnd St	612	-2	10	10
10	118	Charter Ctr	153	-2	10	10
10	14	Cm Gold Field	179	-1	10	10
10	15	East Rand Cm 10p	161	-1	10	10
10	246	Gardiner Rd	250	-5	10	10
10	151	Gen Minutia IC	175	-10	10	10
10	141	Gold Pts St	127	-1	10	10

Gen. Drawing 1C	£17/-
Gold Plate Job S. A. 25c	£17/-
Jobbing Case 1C	£17/-

		Diamond	Platinum	
10	200	Middle W. 1/2	325	-5
10	168	Minor W. 5B1N 49	205	-5
10	85	New W. 5B1N	110	-5
12	770	Paine W. Fl. 5	111	+15
10	450	Lead Selection Site	555	+15
543	449	Schmitz Trust	465	-10
10	135	Scratford Inc.	200	-5
6	45	Schmitz Corp.	56	-5
5	95	St Alvernia	175	-5
12	700	Tropicana Rd. S1	210	+5
10	270	UIC Inv. 1-III	200	-5
10	245	Union Corp. 6/26	310	-5
10	45	Vogels 2/c	77	-5

Post. Plat. 2½c ..	1632
Timken Plat. 10c ..	1625
Waggoner 5c ..	1715

CENTRAL AFRICAN			
6	70	Congonha 25c	85
7	85	Fairfax Rb 50c	93
9	11	Haind'n Corp 16c p	13
	135	Haind'n Corp 16c p	155
	142	Tanganyika 30c p	154
8	65	Do Prod 80p	65
	25	Uganda Col Rb 1	30
6	24	Zam Tigr SHN 10c 24	25
AUSTRALIAN			
6	18	Acme 25c	32
5	152	A. M. and S. 50c	209
	96	Bacchusville 50c	143
3	145	RH South 50c	154
5	30	G. M. Kalgoorlie 51	30
	14	U.S. 10c	14

Metramin 30c	14
U. V. Hidex 30c	266
Metramin 10c	62

		Mount Lefroy	80	70c	24
2	2	Kewmawdile	2		
2	138	North E Hill	51	171	-3
5	5	Nuk Kauakul	5		
6	65	Oakbridge	511	53	-2
5	14	Pacific Copper	5c	28	
92	72	Pemberton	25c	104	+1
6	9	Parmachene	5c	13	
5	430	Peko Wallendale	5c	50	
140	140	Precision	5c	235	
3	9	Rutan Min.	5c	10	
9	4	Westimer	5c	7	
80	127	West Minn.	5c	176	+8
4	36	Whitemore	25c	42	34c. 9c.

Berjunkt 50c.	393
Ex Libris 10p....	15
Cover.	220
Small Postage	18

19	Gold & Bpt 12-3-p.	10	—	10
170	Gopeng Cans.	212	—	\$11.9
64	Hongkong	75	—	—
56	Jdy. 10p.	67	—	7.15
712	Janar 12-p.	71	—	—
2	Kamutung 15-p.	36	—	—
135	Kilimshall	235	—	\$35.0
147	London Tim 20p.	157	-1	7.47
168	Mplay Dredging	210	-2	10.7
20	Pahang	25	—	\$7.6
40	Ponakal 10p	43	—	\$7.0

Saint Peter,	35
South Kunta, 10pi..	77
Sohn Mahr, Jr.,	165
	51

Cans. U.S.C. 10r ..	830	+3
Laurasia .. - -	44	-1
Northeast (S) .. - -	355	+2

**NOTES**

Unless otherwise indicated, prices and net dividends are per share and denominations are \$25. Estimated price-earnings ratios and cover-ups are based on latest annual reports and are not necessarily current. Dividends are calculated on the basis of 1, where possible, are updated on half-yearly figures; they are stated in 3.5% of 75 per cent. P/E's are calculated on the basis of latest available earnings.

calculated on "all" distribution

grams and allow for value of declared distributions and rights with denominations other than sterling are quoted exclusive of the investment dollar premium.

Sterling denominated securities which include investment dollar premium.

"Top" Stock

Highs and Lows marked thus have been adjusted to allow for rights issues for cash

Deferred since increased or remained

Interim since reduced, paused or deferred.

Tax-free to non-residents.

Figures or report omitted.

Unlisted security.

Price at time of suspension.

Last traded price, unless otherwise stated, and as higher if

Stamp Duty.  
and or reorganisation in progress  
permissible.

Some interim reduced final and/or reduced earn indicated.  
Based on 1973 profits.  
Cover allows for conversion of shares not now ranking dividends or ranking only for restricted dividend.  
Cover does not allow for shares which may also rank dividend at a future date. No P/E ratio usually provided.  
Excluding a final dividend declaration.  
Regional price.  
No par value  
as free. b Figures based on prospectus or other estimate. c Earnings. d Dividend rate paid or payable on par value; cover based on dividend on full capital. e Redemption value. f Flat yield. g Assumed dividend and yield after assumed dividend and yield after scrip issue. h Payable.

Figures of Australian currency  
in a special payment to India

<sup>1</sup> To previous dividend, P/E ratio based on latest earnings. <sup>2</sup> A Forecast dividend: cover based on previous year's earnings. <sup>3</sup> Tax free up to \$30 in the £ = Yield allows for 20% corporation tax. <sup>4</sup> Dividend and yield based on average last three years. <sup>5</sup> Dividend and yield include a special payment. Cover does not relate to special payment. <sup>6</sup> Net dividend and yield. <sup>7</sup> Preference dividend passed over. <sup>8</sup> Canadian. <sup>9</sup> Issue price. <sup>10</sup> Assumed dividend yield after pending scrip or rights issue. <sup>11</sup> Figures based on prospectus or other official estimates for 1976. <sup>12</sup> Figures based on prospectus or other official estimates for 1976. <sup>13</sup> Dividend and yield based on prospective official estimates for 1976. <sup>14</sup> Gross. <sup>15</sup> Figures estimated. <sup>16</sup> No significant Corporation Tax payable on dividend to date.

**Ex dividend:** ex semp  
**ex capital distribution.**

Recent Issues" and "Rights" Page 1  
is service is available to every Company dealt in  
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